

CITY OF ALAMEDA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2007

PREPARED BY THE
FINANCE DEPARTMENT

CITY OF ALAMEDA, CALIFORNIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2007

Table of Contents

Page

INTRODUCTORY SECTION

| | |
|---|-------|
| Table of Contents | i |
| Letter of Transmittal | v |
| Principal Officer's | xvii |
| Organizational Chart | xviii |
| Location Map | xix |
| GFOA Certificate of Achievement for Excellence in Financial Reporting | xx |

FINANCIAL SECTION

| | |
|---|---|
| <i>Independent Auditor's Report on Basic Financial Statements</i> | 1 |
|---|---|

| | |
|---|---|
| <i>Management's Discussion and Analysis</i> | 3 |
|---|---|

Basic Financial Statements:

Government-wide Financial Statements:

| | |
|-------------------------------|----|
| Statement of Net Assets | 23 |
| Statement of Activities | 24 |

Fund Financial Statements:

Governmental Funds:

| | |
|--|----|
| Balance Sheet | 28 |
| Reconciliation of Governmental Funds - Fund Balances with Governmental Net Assets | 31 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance | 32 |
| Reconciliation of the Net Change in Fund Balances – Governmental Funds with the Change in Governmental Net Assets | 34 |

CITY OF ALAMEDA, CALIFORNIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2007

Table of Contents

| | <u>Page</u> |
|---|-------------|
| FINANCIAL SECTION (Continued) | |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual: | |
| General Fund | 35 |
| West End Community Improvement Project Special Revenue Fund | 36 |
| Business and Waterfront Improvement Project Area Special Revenue Fund | 37 |
| Alameda Point Improvement Project Area Special Revenue Fund | 38 |
| FISC Lease Revenue Special Revenue Fund | 39 |
| Alameda Reuse and Redevelopment Area Special Revenue Fund | 40 |
| Home Repayment Special Revenue Fund | 41 |
| Theatre/Parking Structure Project Special Revenue Fund | 42 |
| Proprietary Funds: | |
| Statement of Net Assets | 44 |
| Statement of Revenues, Expenses and Changes in Fund Net Assets | 45 |
| Statement of Cash Flows | 46 |
| Fiduciary Funds: | |
| Statement of Fiduciary Net Assets | 48 |
| Statement of Changes in Fiduciary Net Assets | 49 |
| Notes to Basic Financial Statements | 51 |

CITY OF ALAMEDA, CALIFORNIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2007

Table of Contents

Page

| |
|--------------------------------------|
| FINANCIAL SECTION (Continued) |
|--------------------------------------|

Supplemental Information:

Major Governmental Funds Other Than the General Fund and Special Revenue Funds:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:

| | |
|-----------------------------|-----|
| Capital Projects Fund | 108 |
|-----------------------------|-----|

Non-major Governmental Funds:

| | |
|--------------------|-----|
| Balance Sheet..... | 116 |
|--------------------|-----|

| | |
|--|-----|
| Statement of Revenues, Expenditures, and Changes in Fund Balances | 124 |
|--|-----|

| | |
|--|-----|
| Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual..... | 132 |
|--|-----|

Internal Service Funds

| | |
|---|-----|
| Combining Statement of Net Assets | 156 |
|---|-----|

| | |
|---|-----|
| Combining Statement of Revenues, Expenses and Changes in Fund Net Assets | 158 |
|---|-----|

| | |
|--|-----|
| Combining Statement of Cash Flows..... | 160 |
|--|-----|

Fiduciary Funds

| | |
|---|-----|
| Combining Balance Sheet – Pension Trust Funds | 164 |
|---|-----|

| | |
|--|-----|
| Combining Statement of Changes in Fiduciary Net Assets – Pension Trust Funds | 165 |
|--|-----|

| | |
|---|-----|
| Agency Funds - Statement of Changes in Assets and Liabilities | 166 |
|---|-----|

| |
|----------------------------|
| STATISTICAL SECTION |
|----------------------------|

| | |
|---|-----|
| Net Assets by Component - Last Five Fiscal Years..... | 169 |
|---|-----|

| | |
|---|-----|
| Changes in Net Assets - Last Five Fiscal Years..... | 170 |
|---|-----|

| | |
|---|-----|
| Fund Balances of Governmental Funds - Last Five Fiscal Years..... | 172 |
|---|-----|

CITY OF ALAMEDA, CALIFORNIA

**Comprehensive Annual Financial Report
For the Year Ended June 30, 2007**

Table of Contents

Page

STATISTICAL SECTION (Continued)

| | |
|--|-----|
| Changes in Fund Balance of Governmental Funds – Last Five Fiscal Years | 173 |
| Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years | 174 |
| Property Tax Rates - All Direct and Overlapping Governments - Last Ten Fiscal Years | 175 |
| Principal Property Tax Payers – Current Year and One Year Ago | 176 |
| Property Tax Levies and Collections – Last Ten Fiscal Years | 177 |
| Ratio of Outstanding Debt by Type – Last Ten Fiscal Years | 178 |
| Ratio of General Bonded Debt Outstanding..... | 179 |
| Computation of Direct and Overlapping Debt | 180 |
| Computation of Legal Bonded Debt Margin..... | 181 |
| Sewer Fund Debt Coverage – Last Ten Fiscal Years | 182 |
| Bonded Debt Pledged Revenue Coverage, CIC Revenue Bond and Tax Allocation Bonds - Last Ten Fiscal Years | 183 |
| Demographic and Economic Statistics - Last Ten Fiscal Years | 184 |
| Principal Employers – Current Year and Nine Years Ago | 185 |
| Full-Time Equivalent City Government Employees by Function – Last Ten Fiscal Years | 186 |
| Operating Indicators by Function/Program – Last Ten Fiscal Years | 188 |
| Capital Asset Statistics by Function/Program – Last Ten Fiscal Years | 192 |



City of Alameda • California

December 4, 2007

To the Honorable Mayor, Members of the City Council and
Residents of the City of Alameda, California

The Alameda City Charter Article IV, Section 4-2 (various financing covenants, and rules associated with restricted funding sources) requires the City of Alameda, California (City) to publish a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants. The publication of these statements is to be completed within six months following the end of the fiscal year. Pursuant to the requirements noted above, we hereby issue the Comprehensive Annual Financial Report of the City of Alameda, California for the fiscal year ended June 30, 2007.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Maze and Associates, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements and evaluating the overall financial management presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2007, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget's circular A-133, Audits of States, Local Governments and Nonprofit organizations. Information related to this single audit, including a schedule of federal expenditures of federal awards, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in a separately issued single audit report.

The financial reporting entity (the government) includes all the funds of the primary government (i.e., the City of Alameda as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable.

The City provides a broad range of services including police and fire protection, construction and maintenance of streets, parks, storm drains and other infrastructure, recreational and cultural activities, including a golf complex comprised of two 18-hole championship and one 9-hole executive golf courses, and human services programs. The City owns and operates its own electric and telecommunications utility serving the needs of all residents. It also manages franchises for solid waste and cable television. Certain infrastructure construction and community development activities are provided through a legally separate redevelopment agency. Housing assistance is provided through a housing authority. The City Council sits as the Community Improvement Commission and it functions, in essence, as a department of the City. Many major public services delivered within the City's boundaries, including water, wastewater, education, regional parks, and public transportation, are provided by other agencies. The City of Alameda is not financially accountable for the operations of the franchises or these government agencies.

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included herein as part of the primary government. Accordingly, the Community Improvement Commission, which redevelops blighted areas; the Alameda Reuse and Redevelopment Authority, which is responsible for returning Alameda Point, the former Alameda Naval Air Station, to civilian use; and Alameda Public Financing Authority, which assists with the financing of public projects are reported as funds of the primary government in the Special Revenue, Capital Project, and Debt Service funds.

Alameda Power & Telecom and the Alameda Housing Authority are reported as discretely presented component units in this Report, which means their financial transactions and balances are reported in separate columns. Separate component unit financial statements may be obtained from Alameda Power & Telecom, 2000 Grand

Street, Alameda, CA 94501 and the Housing Authority of Alameda, 701 Atlantic Avenue, Alameda, CA 94501. All other component unit financial statements may be obtained from the City of Alameda, 2263 Santa Clara Avenue, Room 220, Alameda, CA 94501.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Alameda, incorporated April 19, 1854, is located on Alameda Island in San Francisco Bay. The City of Alameda contains 22.7 square miles and serves a population of 75,254. According to the 2000 Census, there are 41,148 (57%) white residents, 4,488 (6%) black residents, 484 (0.7%) American Indian residents, 18,894 (26%) Asians, 434 (0.6%) Native Hawaiian and other Pacific Islanders, 2,380 (3.3%) residents of other race and 4,431 (6%) residents of two or more races.

Almost 50 percent of Alameda residents are in the younger adult through middle age group (25 – 54 years). This implies that we have a strong workforce, and that quality family services (parks, schools, retail) are in high demand. The percentage of adults over 60 has increased slightly from 1990, indicating that we continue to be in need of quality senior services and health care. The biggest change in population from the 1990 Census is, as expected, the drop in military residents due to the closure of the naval air station.

During the last four years, growth in the City has begun to slowly increase as a result of potential base conversion and redevelopment. The City budget has stabilized during the same period. Decreases in business-related revenues, loss of revenues to the State, and other cost increases have forced moderate cost containment in all City services. The City faces resource shortfalls in near term future budgets. Cost containment, economic development and fee increases have helped with the resource problem, but new resources will be needed to continue current service levels and restore essential public safety and maintenance services.

The City is a charter city. Like other charter cities, the City has limited ability to set tax rates. The State Constitution establishes a maximum rate for property tax and limits the growth of assessed value. The property tax collected is allocated among the jurisdictions in the City's tax rate areas based on criteria established by the State

Legislature. The rates and tax base of the City's two other major general taxes, sales tax and vehicle license in lieu fees (VLF), are also controlled by the State Legislature or Constitution, rather than the City Council.

Increases of existing local taxes and any new taxes require voter approval. Taxes used for general purposes are subject to approval by a simple majority of voters, while taxes levied for specific purposes require a two-thirds majority of voters, as do property tax levies used to pay for debt issued to build capital assets. In November 2000, Alameda voters approved an additional tax levy to build a new public library and update the two branch libraries. The bonds were issued in March 2003.

Assessments have varying requirements for voter approval ranging from approval through Council action unless challenged by a majority protest to two-thirds voter approval, with voting rights apportioned based on the amount of the assessment. In addition, fees for facilities and services are subject to requirements that they not be set at levels that exceed the reasonable costs of providing services. As a result, fund balances generated by differences between fee revenue and related expenses are retained and designated for services and facilities that benefit fee payers.

The City has operated under the council-manager form of government since it was chartered in 1916. Policy-making and legislative authority are vested in a five-member governing council consisting of the Mayor and four Councilmembers. The City Council is responsible, among other things, for passing ordinances, adopting the budget, approving the Mayor's nominees to commissions, and hiring the City's manager, attorney and clerk.

The City Council is elected on a non-partisan basis. Councilmembers serve four-year staggered terms, with two Councilmembers elected every two years. The Mayor is elected to serve a four-year term. The Mayor and Councilmembers are elected at large and all are subject to two-term limits.

The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments.

The annual budget, the capital budget, financial policies governing reserves, long-term debt, fee supported services, and the budget resolutions serve as the foundation for the City's financial planning and control. Departments submit operating appropriation requests in accordance with the City Manager's instructions by February of each year. The City Manager makes recommendations to the City Council regarding the following

year's budget in May and, after public discussion and evaluation of the City Manager's recommendations, the City Council adopts the annual budget in June of each year.

The City Council delegates budget authority at the fund level. The City Manager is authorized to transfer appropriations between departments within funds and to limit expenditures in response to under-collection of estimated revenues. Transfers of appropriations between funds require City Council approval. Budget-to-actual comparisons are provided as part of the required supplementary information in this report for the general fund and each major governmental fund for which the City Council has adopted an annual budget.

The City Council reviews reports of budget results at the end of the first quarter, at mid-year, and at the end of the third quarter. The ongoing review and long-range planning focus for financial management provides numerous opportunities to identify and respond to changes in revenues and expenditures and in community priorities.

Factors Affecting Financial Condition

We believe the information presented in the financial statement is best understood when it is considered from the broader perspective of the context within which the City of Alameda operates.

Risk and Volatility in Funding Sources Collected or Allocated by the State

During the last thirty years, the City has lost its ability to set tax rates without voter approval and the State of California has diverted local revenues to offset its own budget problems. Over the past 15 years, the State's budgeting practices have negatively impacted the City's resources, resulting in a loss of revenues in excess of \$74.9 million to the City and its agencies. For example, the cumulative effect of the State imposed shifts of local government revenues to the Educational Revenue Augmentation Fund (ERAF) over the past several years has been a \$53.4 million reduction in the General fund and a \$2.4 million decrease in the Community Improvement Commission funds.

However, in 2004, a series of actions approved by the voters resulted in structuring stability into the State's process of allocating and distributing local government revenue sources. In March 2004, the voters approved Proposition 57, the California Economic Recovery Bond Act. Legislative provisions implementing this initiative provided for a swap of ¼ cent of local sales tax to be used by the State to repay the bonds effective July 1, 2004. The plan consists of 1) a reduction of local sales tax by ¼ cent in tandem with a new ¼ cent increase in the State rate to fund fiscal recovery bond repayment; 2) repayment of the lost sales tax revenues to cities with additional local property tax

previously allocated to local schools; and 3) repayment of the lost property tax revenues to local schools with state general fund monies. This “triple flip” is constitutionally prohibited from exceeding the period necessary to repay the Economic Recovery Bonds.

Intergovernmental revenue is that revenue subject to the control of another government. It is more volatile and subject to more restrictions on its use than other general revenues, especially locally authorized and collected taxes. Where the State has provided full or partial compensation for reducing traditional local revenue sources and where that compensation is material, the mitigating payment from the State is disclosed separately in the financial statements. These mitigation payments are particularly vulnerable to reduction when the State faces serious budget problems. In addition, unlike revenues affected by economic fluctuation, intergovernmental revenues, once reduced by legislative action, are less likely to return to prior levels.

Local Economy

During the last four years, the business economy has been growing at a minimal rate. Despite only moderate effects in consumer retail and a remarkably strong residential housing market, the business moderation has not significantly lifted the local economy. Residential home values have grown and nonresidential property values in Alameda have not declined. Assessed value growth in Alameda has been below the County average.

We can expect a less than moderate performance in 2007/08. As the national economy experiences contraction as a result of housing starts and consumer confidence falling, the City will maintain a very moderate growth rate. Retail development at Alameda Towne Center (formerly South Shore Center), the opening of the restored Historic Alameda Theater, Cineplex and Civic Center Garage, as well as smaller projects throughout the community will help maintain economic stability in Alameda.

Following are major new developments in the City of Alameda:

Bayport/Alameda Landing

Catellus and Warmington Homes, in conjunction with the Housing Authority, will develop a total of 586 units of residential housing in the Bayport project; 437 market-rate single-family homes, 48 below market duet townhouses and 62 units of low and very low-income affordable rental housing. The development brings nearly 90 acres of dormant naval land into civilian use. The development includes an 11-acre community park, four mini parks, and a K-8 elementary school.

With the exception of the homes reserved for affordable housing, initial offering prices were from the mid \$600,000 to the mid \$800,000. The current phase is being offered at \$800,000 to \$1.1 million. As of June 30, 2007, roughly 344 homes have sold, including 39 of the 48 moderately priced duplexes. The total assessed value of the residential project will be approximately \$400 million. Full build out of the project is expected to be completed by 2008.

Alameda Landing is a mixed-use project. It will provide an additional 300 residential units of which 25 percent are affordable units. It will also provide 300,000 square feet of retail space, 400,000 square feet of office space, parks, open space and associated infrastructure.

Wilver “Willie” Stargel Way (former Tinker Avenue Extension)

This capital improvement project is a required mitigation resulting from the original Catellus Mixed-Use EIR and is a key public roadway/infrastructure improvement required for continued redevelopment of the FISC, Alameda Point, and the entire west side of Alameda. The original alignment has been modified to address state safety and operational concerns. CalTrans has approved the revised Project Report and modified alignment and plans, specifications and engineering for construction are underway. A financing plan is also being developed which will be required for acquisition and construction.

Bridgeside Shopping Center

The City purchased the Bridgeside Shopping Center and sold it to Regency Centers, a shopping center developer, in 2003. The redevelopment of this 108,000 square foot shopping center is complete. The Center hosts retail and office space as well as a gas station and car wash. Nob Hill Grocery Store held its grand opening on February 21, 2007. The Center is currently about 80% leased.

Alameda Towne Centre (South Shore Shopping Center)

The retail center is re-tenanting and renovating its facilities, including an expansion of approximately 112,757 square feet. The estimated value of the completed project is \$30 to \$40 million. Newly announced tenants are TJMax, Old Navy, Bed Bath and Beyond and Borders Books.

Downtown Historic Theatre, Cineplex, and Parking Garage

The City will aid in the restoration of the historic Alameda Theater in conjunction with a new seven-screen Cineplex and will construct a new Civic Center parking garage to meet the goals of the Downtown Vision Plan and Economic Development Strategic Plan. The Historic Alameda Theater and Cineplex will operate functionally as one 8-screen movie theater and will only be accessed by patrons through the Historic Alameda Theater's main entrance. The 345-space garage will be located adjacent to the Cineplex along Oak Street and provide parking for the movie theater, as well as the surrounding civic center area and Park Street Business District.

The Community Improvement Commission adopted plans and specifications and authorized a call for bids. The Commission authorized the value-engineering of the design-build proposals for both the Historic Theatre renovation and the parking garage. Contracts were executed and work begun in the fall of 2006. Work remains on budget and on schedule for a March 2008 opening.

New Alameda Free Library

The library was completed on time and under budget. The grand opening was held on November 2, 2006. The State grant was successfully closed. The Library Board has begun the master planning process for the branch libraries improvements. The new Library has become a central meeting place and activity center for Alamedans of all ages.

SUMMARY OF MAJOR PRIVATE PROJECTS

The Waterfront/Harbor Bay Business Park

SRM Associates has 35 acres of entitled land remaining at the Waterfront for future commercial development. One of the most recent transactions involved moving Peet's Coffee and Tea Inc.'s roasting operations from another community to Alameda in a new build-to-suit project. The new \$24 million, 134,000 square foot facility opened in April 2007.

Ettore Products Company, the creator of the t-shaped squeegee for cleaning windows, recently completed the construction of its new, 90,000 square foot headquarters. The new facility employs roughly 80 people.

SRM Associates completed construction and sold four flexible, light industrial buildings to the following companies: Donsuemor Inc., Santa Clara Systems, Bron Tapes, and Berkland Baptist Church. These buildings, totaling 86,000 square feet are located next to Ettore. SRM is now completing construction for Phase II of this project, which consists of seven light industrial buildings, ranging in size from 7,000 to 33,000 square feet. Three of the seven buildings are currently in contract with the close of escrow expected by December 2007.

The Venture Commerce Center at Harbor Bay recently sold out its Phase I project of 15 privately owned business properties—commonly called commercial condos. The commercial condos range in size from about 1,300 to 3,200 square feet. Most of the properties include two-story offices on the front side and an unusually high 21-foot clear height "Flex Area" in the rear. The Flex Area is commonly used for additional offices (often with commercial acoustic ceilings installed), research and development, warehousing, distribution, light manufacturing, high tech operations and other applications. Venture Commerce recently finished construction of Phase II of the project, consisting of 24 similarly sized condos.

Hampton Inn and Suites

Hampton Inn and Suites is building a three-story, 105-room hotel at Harbor Bay Business Park. Building permits have been issued and construction is underway. The project is expected to be completed by mid-2008.

Overall, the outlook for the City of Alameda is positive in terms of its local economy and this outlook is shared by investors in the community as demonstrated in the major capital improvements that are underway.

OTHER EVENTS

CalPERS

The California Public Employees' Retirement System (CalPERS) implemented a normalization process precluding rates from exceeding a minimum percentage established by the CalPERS board. Future rates will be temporized by this normalization process so that rates will neither increase excessively nor decrease to zero. Rate notifications for the successive two fiscal years show increases of less than one percent.

State Budget

Borrowings from cities by the State are limited now by Constitutional amendment. A restructuring of jail booking fees resulted in a loss of revenues of approximately \$150,000. This restructured fee was agreed among the law enforcement community and the legislature.

Budget Activities

The City Council adopted a budget that increased General Fund spending in fiscal year 2006/07 by 10.9 percent. Actual expenditures increased 5.3 percent over the prior year. These increases included a one-time use of equipment reserves for a Managed Vehicle Replacement program and increased staffing for operational effectiveness.

Long-term Financial Planning

The City Council has continued to focus attention on the long-term benefits of recruitment of consumer retail uses to balance the City's business to business sales tax base, and development of a pedestrian oriented urban center in the City's Central Business District. Development Services staff have worked closely with landowners, developers, and retailers to increase retail uses throughout the City.

Cash Management and Policies

Cash temporarily idle during the year was invested in obligations of the U.S. Treasury and agencies of the federal government, corporate notes, municipal obligations and the State Treasurer's investment pool. During the 2006/07 fiscal year, more of the portfolio was invested in U.S. Treasury notes, Callable Federal Agency Notes, and Corporate Notes. These changes in sector distribution occurred as market conditions changed in order to achieve the benchmark return. Credit quality was maintained. Approximately 72 percent of the portfolio remains in the 1 to 3 year maturity, which is the point of best relative value in the present market. The overall return for the managed composite portfolio since inception of the program was 3.33 percent. This compares favorably to the Merrill Lynch benchmark earnings of 2.97 percent. At each quarter end, the portfolio managers have affirmed that there have been no investments in companies that produce or manufacture cigarettes, alcohol or gambling products.

Risk Management

The City of Alameda uses a program of self-insurance to reduce its workers' compensation and liability claim costs. The City employs a risk manager and staff,

supplemented by professional claims administration firms, to minimize losses. The City participates in two multi-agency joint powers authorities to provide excess insurance coverage--one for liability coverage and one for workers' compensation coverage. The joint powers authorities and the City rely on estimates prepared by professional actuaries to set aside funds adequate to meet potential losses. Excess coverage provided by the joint powers authorities cover claims in excess of \$500,000 for general liability claims and claims in excess of \$250,000 for workers' compensation claims. Additional information on the City's risk management activity can be found in Note 6 of the notes to the financial statements.

Pension and Other Post-employment Benefits

The City provides pension and medical benefits for its public safety and non-safety employees through two contracts with CalPERS. The contracts include benefit levels that the City has negotiated with its employee units and for which it has executed contract amendments with CalPERS. The plans also include some benefit levels approved by the State Legislature without contract amendments and funding mechanisms approved by the CalPERS Board of Administration. The City's contracts are not part of a larger pool and the City is responsible for making contributions needed to fund benefits when employee contributions are not adequate. In the past, City contributions have ranged from 0% to 34% of qualifying payroll costs.

Safety employees have been covered by PERS since December 1990. Prior to that date, the City provided the following retirement plans for police and fire retirees:

Plan 1079: This is a single employer defined benefit pension plan for police and fire department employees entering service prior to January 1, 1953. On June 30, 2007, there were 47 remaining plan participants and all are retired employees or their beneficiaries.

Plan 1082: This is also a single employer defined benefit pension plan covering police and fire department employees entering service after January 1, 1953. There are now only 2 remaining participants in the plan, as all active participants transferred to the PERS plan.

The City provides an alternative retirement program for its part time employees through the Public Agency Retirement System (PARS).

The City also provides postretirement benefits for certain retirees based on the provisions of labor agreements in effect at the date of the employees' retirement. Coverage for healthcare is provided through Public Employees Medical Health Care Act

December 4, 2007

(PEMHCA). For miscellaneous employees, the City pays the PEMHCA minimum premium only for healthcare benefits. For Safety employees, the City pays the full PEMHCA premium for retiree and spouse healthcare benefits, and the full cost for retiree and spouse dental benefits. A more detailed description of plan benefits is provided in Footnote 9. At the end of 2006/07, there were approximately 250 retired employees eligible to receive these benefits, which are financed on a pay-as-you go basis. Generally accepted accounting principles do not currently require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits. However, new accounting and reporting standards governing these benefits have been issued and the City has conducted an actuarial study of these post-employment benefits in order to quantify costs and liabilities. A funding plan will be considered by the City Council during fiscal year 2007/08. Additional information on the City's pension arrangements and post-employment benefits can be found in Note 9 in the notes to the financial statements.

Awards and acknowledgements

The Government Finance Officers Association (GFOA) awarded a certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2006. This was the 17th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and legal requirements. A Certificate of Achievement is valid for one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department and many others throughout the organization. We would like to express our appreciation to all the members of the many departments who assisted and contributed to the preparation of this report. We also want to thank the partners and staff of our auditors for their assistance and support during the preparation of the Annual Report.

Respectfully submitted,

Juelle-Ann Boyer
Chief Financial Officer

PRINCIPAL OFFICERS

CITY OF ALAMEDA

JUNE 30, 2007

CITY COUNCIL

| | |
|---------------|-----------------|
| Mayor | Beverly Johnson |
| Vice Mayor | Lena Tam |
| Councilmember | Marie Gilmore |
| Councilmember | Frank Matarrese |
| Councilmember | Doug deHaan |

COUNCIL APPOINTEES

| | |
|---------------|------------------|
| City Manager | Debra Kurita |
| City Attorney | Teresa Highsmith |
| City Clerk | Lara Weisiger |

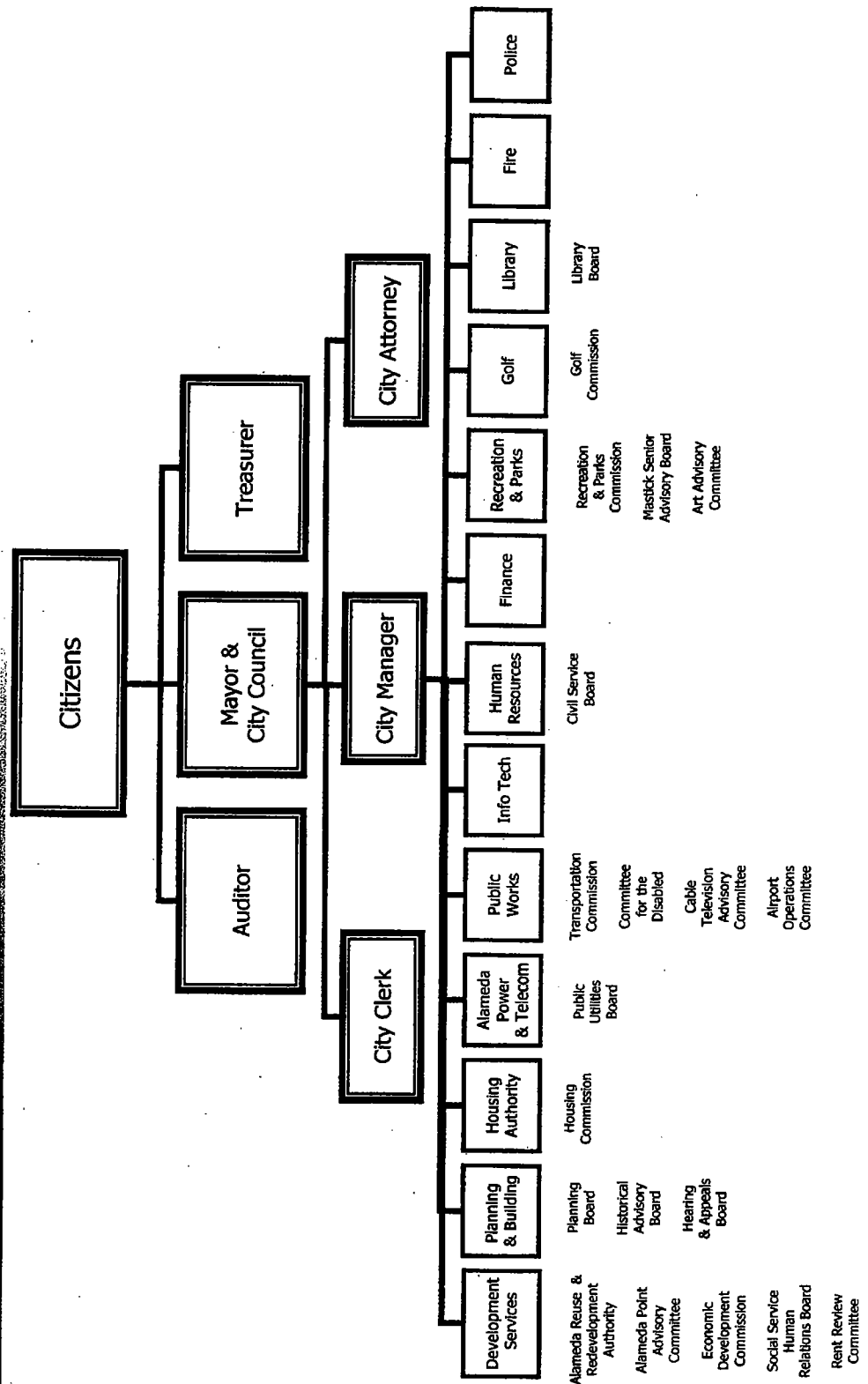
ELECTED OFFICIALS

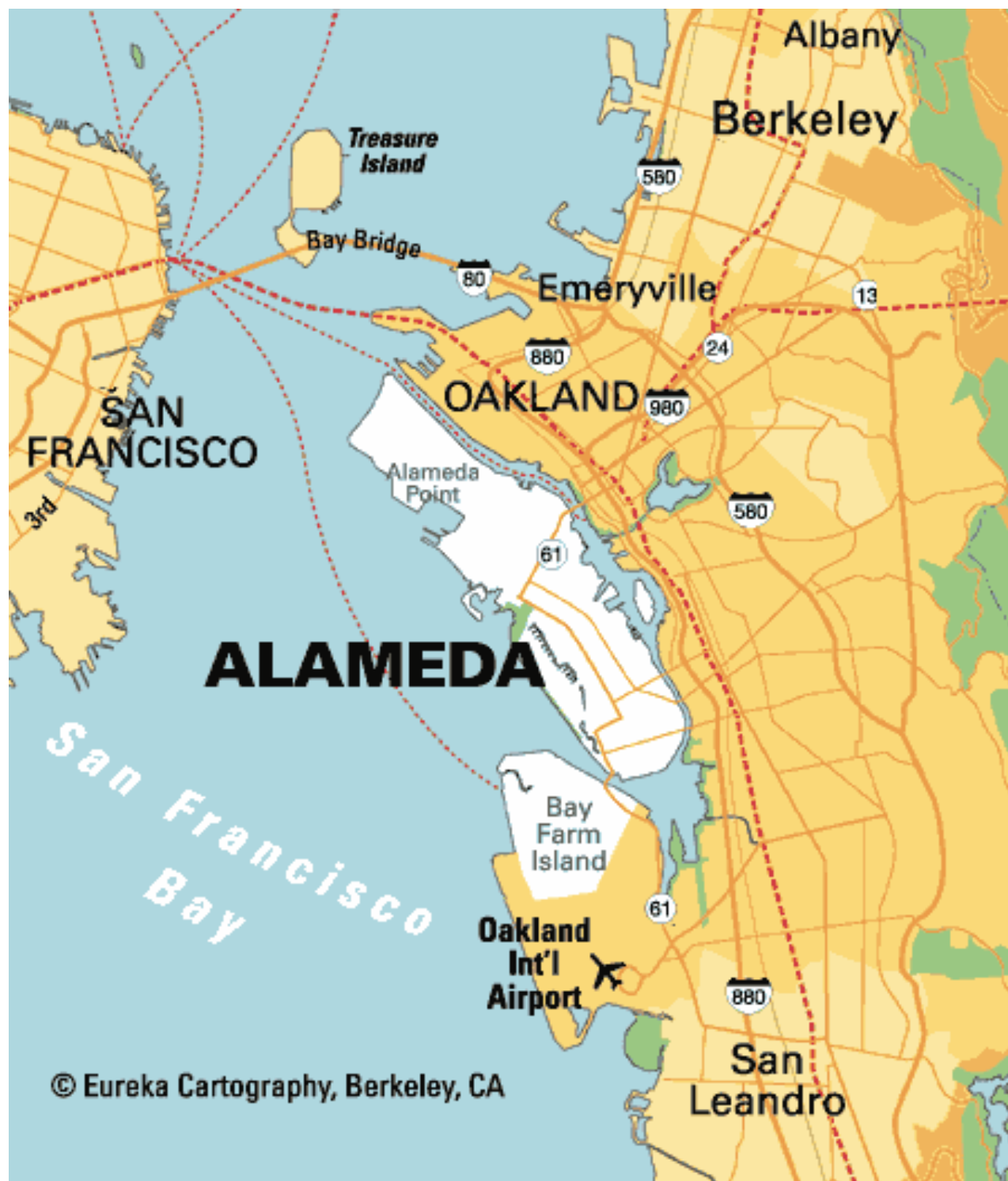
| | |
|-----------|------------------|
| Auditor | Kevin R. Kearney |
| Treasurer | Kevin Kennedy |

APPOINTED OFFICIALS

| | |
|--|---------------------|
| Assistant City Manager | David Brandt |
| Chief of Police | Walter Tibbet |
| Chief Financial Officer | Juelle-Ann Boyer |
| Acting Fire Chief | James Reed |
| Human Resources Director | Karen Willis |
| Library Director | Jane Chisaki |
| Planning & Building Director | Cathy Woodbury |
| Public Works Director | Matthew T. Naclerio |
| Recreation/Parks Director | Dale Lillard |
| General Manager, Alameda Power and Telecom | Girish Balachandran |
| Housing Authority Executive Director | Michael T. Pucci |
| Development Services Director | Leslie Little |
| Interim General Manager -- Golf Complex | Dale Lillard |
| Acting Information Technology Director | Leon King |

City of Alameda Organizational Chart





Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Alameda
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "Thomas J. Hawn".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

California Society of Municipal Finance Officers

Certificate of Award

Excellence in Operating Budgeting 2006-07

Presented to

City of Alameda

This certificate recognizes Excellent Achievement in Operational Budgeting and reflects an outstanding budget document and the underlying budgeting process through which the budget is implemented.

March 6, 2007



Mark Alvarado
CSMFO President

Agnes J. Walker
Agnes Walker, Chair
Budgeting & Financial Management

Dedicated to Excellence in Municipal Financial Management

INDEPENDENT AUDITOR'S REPORT

ACCOUNTANCY CORPORATION
3478 Buskirk Ave. - Suite 215
Pleasant Hill, California 94523
(925) 930-0902 • FAX (925) 930-0135
maze@mazeassociates.com
www.mazeassociates.com

Honorable Mayor, City Council, and City Auditor
City of Alameda, California

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit of the Alameda Power and Telecom, each major fund, and the aggregate remaining fund information of the City of Alameda, California as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the component unit financial statements of the Housing Authority of the City of Alameda, California, which represent 6.18% and 13.05% of the assets and revenues of the reporting entity and 6.84% and 4.98% of capital assets and long-term obligations, respectively. These component unit financial statements were audited by another auditor, whose report thereon has been furnished to us. Our opinion, insofar as it relates to the amounts included for this entity, is based solely on the report of this other auditor.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the basic financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditor provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditor, the basic financial statements referred to above present fairly in all material respects the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Alameda, California at June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

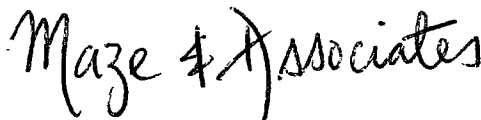
In accordance with Government Auditing Standards, we have also issued reports dated October 3, 2007 on our consideration of the City of Alameda internal control structure and on its compliance with laws and regulations.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and we express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Alameda. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical section listed in the table of contents were not audited by us and we do not express an opinion on this information.

October 3, 2007



A Professional Corporation



**CITY OF ALAMEDA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

This part of the City of Alameda's annual financial report presents management's overview and analysis of the City's financial activities and performance for the fiscal year ended June 30, 2007. The information presented here should be considered in conjunction with additional information presented in the transmittal letter in the Introductory Section at the front of this report, and the City's financial statements, which follow.

FINANCIAL HIGHLIGHTS

- The assets of the City of Alameda exceeded its liabilities at the close of the 2006/07 fiscal year by \$313,593,645 (net assets). Of this amount, \$33,087,465 is unrestricted and represents assets available for future uses.
- The City's total net assets increased by \$17,702,738 as a result of revenues exceeding expenditures primarily attributable to increases in property taxes and investment earnings, and from capital improvement projects additions to capital assets during the year.
- As of June 30, 2007, the City's governmental funds reported combined ending fund balances of \$100,183,328. Approximately 39% of this total amount is reserved to indicate that it is not available for new spending because it has already been committed. The remaining amount constitutes unreserved fund balance that is available for spending, and has been designated for a variety of specific future uses.
- At the end of the 2006/07 fiscal year, the unreserved fund balance of the General Fund stood at \$16,171,215. This portion is designated by City Council policy for costs associated with economic uncertainties.
- The City's total long-term debt increased by \$1,347,414 attributable to the addition of the Federal Housing & Urban Development Section 108 loan partially funding the Civic Center parking garage, offset by \$2.9 million in debt retirement.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Alameda's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information including combining statements in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities. These statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. They provide information about the activities of the City as a whole and present a longer-term view of the City's finances.

The Statement of Net Assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, and earned but unused vacation and other compensated leave).

In the government-wide financial statements, the City's activities are reported in three categories:

- Governmental Activities – including most of the City's services such as public safety, public works and recreation and parks. Property and other taxes, and state subventions finance most of these activities.
- Business-type activities – the City charges fees to customers for use of the golf complex, the sewer system and the ferry service.
- Discretely Presented Component Units – The Housing Authority and Alameda Power & Telecom are legally separate reporting entities but are important because the City is financially accountable for them.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Alameda, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. For governmental activities, these statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. All of the funds of the City of Alameda can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to assist the reader with this comparison between governmental funds and governmental activities.

The City of Alameda maintains sixty-seven individual governmental funds. Information is presented in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the following funds that are considered to be major funds:

- General Fund
- West End Community Improvement Project Area
- Business Waterfront Improvement Project Area
- Alameda Point Improvement Project Area

City of Alameda, California
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007

- FISC Lease Revenue
- Alameda Reuse and Redevelopment Authority
- Theater/Parking Structure Project
- HOME Repayment
- Capital Improvement Projects
- Other Governmental Funds

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all funds. Budgetary comparison statements have been provided as required supplementary information to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 27-42 of this report.

Proprietary funds. The major proprietary funds the City uses are Ferry Services, Golf Course and Sewer Services. These are used to account for operations financed and operated in a manner similar to a private business.

Proprietary funds provide the same type of information as the government-wide financial statements, but with more detail. The fund financial statement provides separate information for the Ferry Services, Golf Course and Sewer Services.

The basic proprietary fund financial statements can be found on pages 43-46 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for these funds is much like that used for governmental funds. These funds are reported in a separate statement of fiduciary net assets.

The basic fiduciary fund financial statements can be found on pages 47-49 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow the basic financial statements and can be found on pages 51-105 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This information includes budgetary comparison schedules and can be found on pages 107-108 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately preceding the required supplementary information on pages 109-166 of this report.

City of Alameda, California
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Alameda, assets exceeded liabilities by \$313,593,645 at the close of fiscal 2007. In comparison, last year assets exceeded liabilities by \$295,890,907. Information about net assets is presented in the summary table below:

**Summary of Net Assets
June 30, 2007 and 2006
(dollars in thousands)**

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|------------------|--------------------------|-----------------|------------------|------------------|
| | <u>2007</u> | <u>2006</u> | <u>2007</u> | <u>2006</u> | <u>2007</u> | <u>2006</u> |
| Current and other Assets | \$130,446 | \$136,438 | \$20,707 | \$21,931 | \$151,153 | \$158,368 |
| Capital Assets | 272,351 | 244,086 | 51,006 | 51,141 | 323,358 | 295,227 |
| Total Assets | \$402,798 | \$380,523 | \$71,713 | \$73,072 | \$474,511 | \$453,596 |
| | | | | | | |
| Long-term Liabilities | 114,645 | 112,795 | 9,033 | 9,535 | 123,677 | 122,330 |
| Other Liabilities | 36,308 | 33,991 | 932 | 1,384 | 37,240 | 35,375 |
| Total Liabilities | \$150,952 | \$146,786 | \$9,965 | \$10,919 | \$160,917 | \$157,705 |
| | | | | | | |
| Net Assets: | | | | | | |
| Invested in Capital Assets, Net of Debt | 158,717 | 149,627 | 41,974 | 41,606 | 200,690 | 191,233 |
| Restricted | 79,816 | 102,723 | - | 1,145 | 79,816 | 103,869 |
| Unrestricted | 13,313 | (18,612) | 19,775 | 19,402 | 33,087 | 789 |
| Total Net Assets | \$251,846 | \$233,738 | \$61,748 | \$62,153 | \$313,594 | \$295,891 |

The largest portion of the City's net assets (63%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to the community. The increase this year of \$9.5 million from FY06 is comprised of an increase in capital assets net of depreciation of \$28 million partially offset by \$18.5 million in related debt. The \$28 million in asset additions reflects construction in progress on the Civic Center parking garage and historic theater renovation, Bayport housing and park construction, street resurfacing, Fire, Police and other vehicle and equipment acquisitions, street and sidewalk repairs, Lincoln Middle School Safe Route to Schools traffic improvements, and other capital improvement projects, net of accumulated depreciation and capital asset retirements related to Bridgeside shopping center and library construction.

City of Alameda, California
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007

The amount of net assets invested in capital assets, net of related debt, is reported as a distinct component of net assets because this amount is not available for future spending. In addition, although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net assets, the portion of the City's net assets (32%) subject to restrictions on how they may be used, decreased \$24 million this year primarily due to the progress of the projects mentioned above in Net Assets Invested in Capital Assets Net of Debt from FY06 compared to FY07. As capital work in progress is completed, the restricted assets are reclassified to capital assets and the year-over-year amounts primarily reflect shifts between asset categories.

Unrestricted net assets, the portion of the City's net assets (5%) available for use, largely reflects the changes due to year-over-year shifts between asset categories related to the capital assets projects mentioned above, while about \$8 million is attributable to property tax and investment earnings revenue above expenditures.

Current and other assets decreased \$7.2 million largely reflecting a decrease of \$11 million in cash and investments due primarily to the construction in progress activity and additions to capital assets mentioned above, partially offset by an increase of \$3.4 million in loans receivable related to a loan agreement for renovation of the Historic Alameda Theater and development of a new multiplex cinema, and loans for construction or improvement in low-to-moderate income housing.

Current liabilities increased a total of \$1.9 million reflecting increases in Compensated Absences. This increase is the result of salary increases as well as an overlap in the transition from a method of awarding annual vacation at the beginning of the year to pay-period accrual for four of eight bargaining units. These increases were partially offset by lower accrued payroll and accounts payable.

City of Alameda, California
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007

Summary of Changes in Net Assets
June 30, 2007 and 2006
(dollars in thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|---------------------------------------|----------------------------|------------------|-----------------------------|-----------------|------------------|------------------|
| | <u>2007</u> | <u>2006</u> | <u>2007</u> | <u>2006</u> | <u>2007</u> | <u>2006</u> |
| Revenues | | | | | | |
| Program revenues | | | | | | |
| Charges for Services | \$ 30,571 | \$ 30,272 | \$ 9,911 | \$ 9,112 | \$ 40,482 | \$ 39,384 |
| Operating Grants & Contributions | 14,350 | 16,571 | 1,991 | 2,279 | 16,341 | 18,850 |
| Capital Grants and Contributions | 11,063 | 15,576 | | | 11,063 | 15,576 |
| General revenues | | | | | | |
| Property Taxes | 26,138 | 21,332 | | | 26,138 | 21,332 |
| Incremental property taxes | 12,267 | 11,178 | | | 12,267 | 11,178 |
| Special assessments | 2,668 | 851 | | | 2,668 | 851 |
| Sales Taxes | 4,967 | 4,581 | | | 4,967 | 4,581 |
| Other Taxes | 20,065 | 22,130 | | | 20,065 | 22,130 |
| Motor Vehicle in Lieu fees | 5,480 | 5,983 | | | 5,480 | 5,983 |
| Investment earnings | 5,898 | 2,696 | 1,004 | 646 | 6,902 | 3,342 |
| Other | 346 | 1,216 | 147 | 258 | 492 | 1,474 |
| Total Revenues | \$133,812 | \$132,386 | \$13,053 | \$12,295 | \$146,865 | \$144,681 |
| Program Expenses | | | | | | |
| General government | \$ 20,160 | \$ 17,986 | | | \$ 20,160 | \$ 17,986 |
| Police services | 25,633 | 25,256 | | | 25,633 | 25,256 |
| Fire services | 23,912 | 20,521 | | | 23,912 | 20,521 |
| Public Works | 4,466 | 5,374 | | | 4,466 | 5,374 |
| Development services | 22,987 | 14,094 | | | 22,987 | 14,094 |
| Culture and Recreation | 7,730 | 7,115 | | | 7,730 | 7,115 |
| Housing and community services | 5,802 | 3,395 | | | 5,802 | 3,395 |
| Interest on long-term debt | 6,308 | 5,918 | | | 6,308 | 5,918 |
| Ferry Services | | | 3,275 | 3,479 | 3,275 | 3,479 |
| Golf Course | | | 4,646 | 4,508 | 4,646 | 4,508 |
| Sewer Services | | | 4,244 | 3,756 | 4,244 | 3,756 |
| Total Expenses | \$116,998 | \$ 99,659 | \$12,164 | \$11,743 | \$129,162 | \$111,402 |
| Change in net assets before transfers | \$ 16,814 | \$ 32,727 | \$ 888 | \$ 552 | \$ 17,703 | \$ 33,279 |
| Transfers, net | 1,294 | 407 | (1,294) | (407) | - | - |
| Change in net assets | 18,108 | 33,134 | (405) | 145 | 17,703 | 33,279 |
| Beginning Net Assets | 233,738 | 200,604 | 62,153 | 62,008 | 295,891 | 262,612 |
| Ending Net Assets | \$251,846 | \$233,738 | \$61,748 | \$62,153 | \$313,594 | \$295,891 |

City of Alameda, California
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007

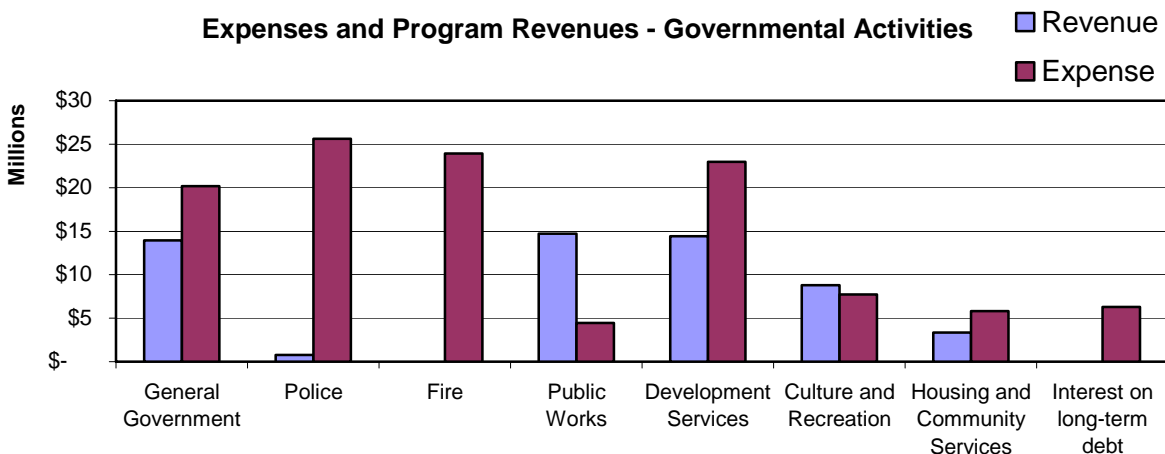
The City's total net assets increased by \$17.7 million as a result of revenues exceeding expenditures primarily attributable to increases in property taxes and investment earnings, and from additions to capital assets from progress on capital improvement projects over the year.

Property taxes (23%), investment earnings (105%), incremental property taxes (10%), and charges for current services (3%) contributed to the overall increase in revenues.

Program expenses increased overall: the largest increases were in Development Services (63%), largely reflecting community improvement and redevelopment projects, as well as salary adjustments. Housing and Community Services (71%) reflects increased Community Development Block Grant projects in-progress, salary adjustments, and other project activity. Increases in the Fire department (17%) are due to pension and other post-employment benefits, overtime, salary increases, and payments to Alameda County for Emergency Medical Services contract charges. General Government (15%) primarily reflects increased salary and benefits.

**Expense and Program Revenue - Governmental Activities
2007**

| | <u>Revenue</u> | <u>Expense</u> |
|--------------------------------|---------------------|-----------------------|
| General Government | \$13,934,230 | \$ 20,160,089 |
| Police | 767,538 | 25,632,978 |
| Fire | 6,916 | 23,911,788 |
| Public Works | 14,721,022 | 4,465,955 |
| Development Services | 14,413,905 | 22,986,738 |
| Culture and Recreation | 8,793,552 | 7,730,394 |
| Housing and Community Services | 3,347,377 | 5,802,261 |
| Interest on long-term debt | - | 6,307,727 |
| | <u>\$55,984,540</u> | <u>\$ 116,997,930</u> |

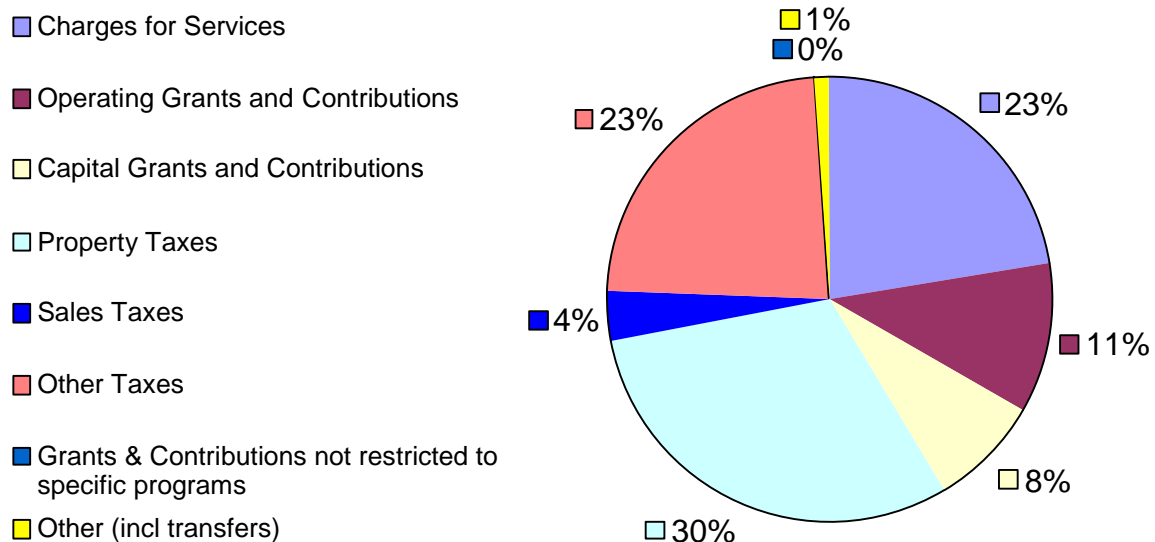


City of Alameda, California
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007

Revenues by Source-Governmental Activities
2007

| | |
|--|-----------------------|
| Charges for Services | 30,570,941 |
| Operating Grants and Contributions | 14,350,320 |
| Capital Grants and Contributions | 11,063,279 |
| Property Taxes | 41,072,398 |
| Sales Taxes | 4,967,130 |
| Other Taxes | 31,442,378 |
| Grants & Contributions not restricted to specific programs | - |
| Other (incl transfers) | 1,639,446 |
| | <u>\$ 135,105,892</u> |

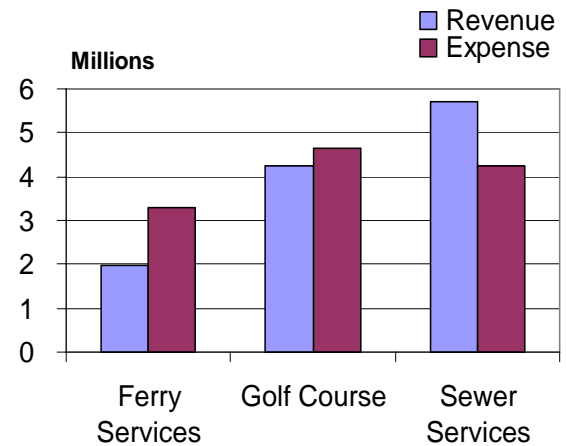
Revenues by Source-Governmental Activities



City of Alameda, California
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007

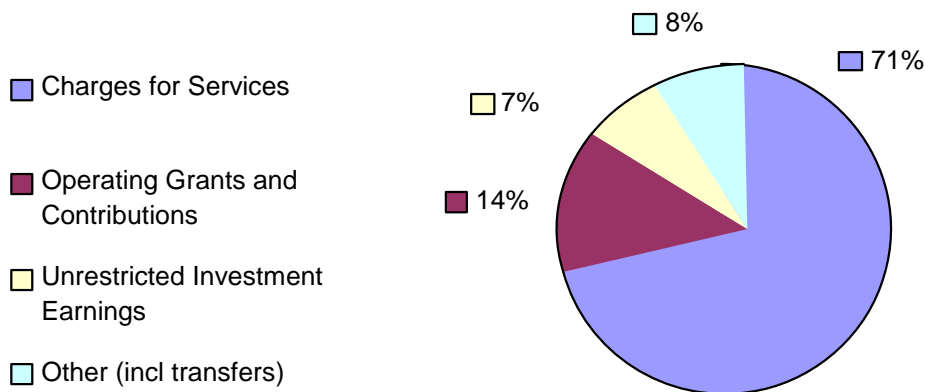
Business-type activities

| | Expense and Program Revenue | |
|----------------|------------------------------------|---------------------|
| | Business-type Activity | |
| | 2007 | |
| | <u>Revenue</u> | <u>Expense</u> |
| Ferry Services | \$ 1,982,765 | \$ 3,274,613 |
| Golf Course | 4,226,898 | 4,645,595 |
| Sewer Services | 5,692,296 | 4,244,145 |
| | <u>\$11,901,959</u> | <u>\$12,164,353</u> |



Revenues by Source
Business-type Activities
2007

| | |
|------------------------------------|-------------------|
| Charges for Services | 9,911,444 |
| Operating Grants and Contributions | 1,990,515 |
| Unrestricted Investment Earnings | 1,004,169 |
| Other (incl transfers) | (1,146,999) |
| | <u>11,759,129</u> |



Proprietary Funds

These activities decreased the City's net assets by \$405,224 overall. Key elements of this decrease are as follows:

Ferry Services. Net assets of the Ferry Services Fund at June 30, 2007, were \$8,928,671 consisting primarily of capital assets of \$8,896,730. Grants and transfers of \$2.7 million comprise the bulk of funding for Ferry services, with charges for service, interest income and other miscellaneous income bringing total revenues to \$2.8 million for the year. Operating expenses, including depreciation of \$433,749, totaled \$3.3 million resulting in a net decrease in assets of \$433,524.

Golf Course. Net assets of the Golf Course Fund at June 30, 2007, were \$5,897,801 comprised of net assets invested in capital assets, net of related debt of \$3,744,695, and unrestricted assets of \$2,153,106 available to fund operations. Golf Course revenues totaled \$4,444,503 generated primarily from user fees. Operating expenses totaled \$4,628,981 including depreciation. The Fund also transferred out \$457,236 to the General Fund and Internal Service Funds for services provided, resulting in a \$641,714 decrease in net assets. Changes in management, operations, and increased user fees were implemented during the latter part of the year to address operating deficit challenges for the Golf Enterprise Fund, with strategic long-term options still under consideration.

Sewer Services. Net assets of the Sewer Service Fund at June 30, 2007, were \$46,921,659 consisting primarily of net assets invested in capital assets, net of related debt of \$29,332,143. The remaining \$17,589,516 was available to fund operations.

The Sewer Services fund generated income of \$2,313,532 before transfers of \$1,643,518 to the General Fund, Capital Improvement Projects, and Internal Service Funds for services provided, for a net change in assets of \$670,014.

Financial Analysis of the Government's Funds

As noted earlier, the City of Alameda uses the fund accounting methodology to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Alameda's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Alameda's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Alameda's governmental funds reported combined ending fund balances of \$101,183,328, a decrease of \$7,312,678 attributable to capital asset improvements such as street resurfacing, construction in progress on various projects, including the Civic Center parking garage, and vehicle and equipment replacements for Public Safety and other service function vehicles. Approximately \$45 million or 45% of the combined ending fund balance constitutes *unreserved, undesignated fund balance*, which is available for spending at the government's discretion. Approximately 39% of total fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period, to pay debt service. The remaining 16% is *unreserved* but designated for specific future uses.

The general fund is the chief operating fund of the City of Alameda. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$16,133,443, while the total fund balance, including restricted resources, was \$22,783,083. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 21% of total general fund expenditures, while total fund balance represents 30% of that same amount.

The fund balance of the City of Alameda's general fund decreased \$1,790,643 from the prior year primarily as a result of the City Council's decision to use reserves to address deferred maintenance and equipment replacement, e.g. street resurfacing and Police and Fire vehicle replacements.

The debt service funds have total fund balances of \$11,278,959 reserved for the payment of debt service. The aggregate net decrease in fund balances during the current year in the debt service funds was \$94,119, reflecting interest and principal payments in excess of transfers in, tax revenues, and interest earned on balances.

City of Alameda, California
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007

Proprietary Funds. The City of Alameda's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets as a percent of total net assets by fund: Ferry, 0.36%; Golf, 37%; Sewer, 38%.

Internal Service Funds. The Internal Service Funds net asset deficit reflects Worker's Compensation Insurance Fund's future claims liabilities maturing over five to ten years. The Risk Management Fund net asset deficit reflects the City Council's decision to initiate litigation in the case of City of Alameda v. Alameda Belt Line Railroad. The outcome has been successful and repayment will occur in future years. Other Internal Service Funds have net assets which partially offset these deficits.

General Fund Budgetary Highlights

During the year there was a \$4,318,246 or 6% increase in appropriations between the original and final amended budget. Following are the main components contributing to the increase:

| Program/Category | Change in Final Budget from Original Budget | | Contributing % of Budget Increase |
|--------------------------------------|---|-----|---|
| Fire Department | \$ 2,422,957 | 11% | 56% |
| Police Department | 1,160,505 | 5% | 27% |
| Capital Outlay | 402,043 | 21% | 9% |
| Public Works | 348,109 | 4% | 8% |
| General Government | 234,669 | 3 | 5% |
| All Others Combined | (250,037) | -3% | -6% |
| Total Change in Final Amended Budget | \$ 4,318,246 | 6% | 100% |

Increases were possible because of additional anticipated revenues and other financing sources, including increased property tax, investment earnings and use of reserves to finance capital improvements.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Alameda's investment in capital assets for its governmental and business-type activities as of June 30, 2007, amounts to \$323 million (net of accumulated depreciation), an increase of approximately \$28 million over the prior year. Investment in capital assets includes land, buildings and systems improvements, machinery and equipment, park facilities and streets.

Major additions during the fiscal year reflect construction in progress on the Civic Center parking garage and theater renovation, Bayport housing and park construction, and infrastructure and traffic safety improvements.

| Capital Assets (net of depreciation) | | | | | | |
|--------------------------------------|-------------------------|-------------------|--------------------------|------------------|------------------|------------------|
| (\$000) | | | | | | |
| | Governmental Activities | | Business-type Activities | | Total | |
| | <u>2007</u> | <u>2006</u> | <u>2007</u> | <u>2006</u> | <u>2007</u> | <u>2006</u> |
| Land | 4,921 | 4,921 | 177 | 177 | 5,098 | 5,098 |
| Buildings and systems | 137,263 | 113,643 | 660 | 736 | 137,923 | 114,379 |
| Infrastructure | 62,458 | 54,424 | 38,158 | 37,760 | 100,616 | 92,183 |
| Construction in Progress | 59,530 | 64,091 | 306 | 42 | 59,837 | 64,133 |
| Machinery and equipment | 8,179 | 7,007 | 345 | 390 | 8,524 | 7,397 |
| Other Improvements | - | - | 11,359 | 12,037 | 11,359 | 12,037 |
| Total | <u>\$ 272,351</u> | <u>\$ 244,086</u> | <u>\$ 51,006</u> | <u>\$ 51,141</u> | <u>\$323,358</u> | <u>\$295,227</u> |

Additional information about the City's capital assets can be found in Note 5, pages 74-78 of this report.

Long-term Debt

At the end of 2006/07, the City had \$124 million in outstanding debt. Outstanding debt includes \$68 million in tax increment notes issued for redevelopment purposes, \$18.8 million in certificates of participation and \$10.1 million in general obligation bonds. Following is a summary schedule of outstanding debt. For detailed information please see Note 7, on pages 79-88.

City of Alameda, California
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007

| Outstanding Debt (\$000s) | | | | | | |
|----------------------------------|-------------------------|------------------|--------------------------|-----------------|-------------------|-------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | <u>2007</u> | <u>2006</u> | <u>2007</u> | <u>2006</u> | <u>2007</u> | <u>2006</u> |
| Certificates of Participation | \$ 15,290 | \$ 15,960 | \$ 3,545 | \$ 3,785 | \$ 18,835 | \$ 19,745 |
| Revenue Bonds | 14,995 | 15,110 | - | - | 14,995 | 15,110 |
| Tax Allocation Bonds | 68,010 | 68,700 | - | - | 68,010 | 68,700 |
| General Obligation Bonds | 10,135 | 10,300 | - | - | 10,135 | 10,300 |
| HUD Section 108 Loan | 4,000 | - | - | - | 4,000 | - |
| Installment Purchase Obligations | 1,565 | 2,030 | 340 | 255 | 1,905 | 2,285 |
| State Loans | 650 | 695 | 5,147 | 5,495 | 5,797 | 6,190 |
| Total | <u>\$ 114,645</u> | <u>\$112,795</u> | <u>\$ 9,033</u> | <u>\$ 9,535</u> | <u>\$ 123,677</u> | <u>\$ 122,330</u> |

Summary of Long-Term Debt. The City of Alameda's total debt increased 1% during the current fiscal year. The major addition to debt in 2006/07 was a \$4 million loan from the Department of Housing and Urban Development for construction of the Civic Center Garage Project, to be repaid from grant and parking garage revenues through 2027. Retirement of other issues of \$2.9 million partially offset additions resulting in a net increase of \$1.3 million.

Additional information on the City of Alameda's long-term debt can be found in Note 7 on pages 79-88 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

At the time these financial statements were prepared and audited, the City was aware of the following existing circumstances that could significantly affect its financial health in the future:

- At the end of fiscal year 2007, there are salary increase agreements in place with 5 major employee associations. These labor agreements provide for 2 to 4 percent or \$1,387,875 during the ensuing fiscal year. Contract negotiations are in progress or will begin in January 2008 with four remaining employee associations. The outcomes of these negotiations are not known.
- The City offers post-employment health benefits to its retirees. The type and value of this benefit is bargained benefit. Miscellaneous employees receive the minimum payment required by the Public Employees Medical Coverage Health Agreement (PEMCHA) whereas the Safety employees receive the full cost of the PEMCHA provided health insurance and Dental insurance for themselves and their spouse. In January 2007, the City had prepared an actuarial study of these benefits and their future costs. Based on a 4.5 percent return and a 30 year period, the actuarial accrued liability is \$75.4 million.
- Alameda Point and its final conveyance from the Navy to the City will have an impact on the future economic development of the City. The timing of the development process as compared to regular business cycles may have great importance.
- The need to address the funding for unfunded capital improvements continues.

The following economic conditions were considered in preparing the Fiscal Year 2007-2008 Budget:

- The CPI (Consumer Price Index) is expected to remain around 2 percent for 2007-2008
- Energy prices and the slow growth in home sales will add to the sluggish growth in the east bay area
- The Unemployment rate was 4.1 percent, which is below the State's rate of 5 percent

These indicators were taken into account when adopting the general fund budget for fiscal year 2007/2008. Revenues and other resources in the general fund are projected to be \$80.8 million, an increase of 4.8% over the budget for 2006/2007. About one quarter of revenues are estimated to come from Property Taxes. They are estimated to increase by seven percent over the prior year's estimate.

City of Alameda, California
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007

In response to the stagnant economic conditions that the City of Alameda faces, the City's focus will be on preserving basic services and sustaining maintenance of infrastructure and public facilities. Prudent budgeting and reserve policies will enable the City to manage through this period of changing economics. Cost containment and economic development will help with the resource issues, but new resources will be needed to continue current service levels and essential public safety and maintenance services.

REQUEST FOR INFORMATION

This comprehensive Annual Financial Report is designed to provide a general overview of the City of Alameda's finances for all those with an interest in the City's finances. For the convenience of the public, a copy of this report is posted on the City's website (www.ci.alameda.ca.us). Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Chief Financial Officer, Juelle-Ann Boyer, at 2263 Santa Clara Avenue, Room 220, Alameda, California, 94501.

CITY OF ALAMEDA, CALIFORNIA

**STATEMENT OF NET ASSETS
AND STATEMENT OF ACTIVITIES**

The Statement of Net Assets reports the difference between the City's total assets and the City's total liabilities, including all the City's capital assets and all its long-term obligations. The Statement of Net Assets summarizes the financial position of all the City's Governmental Activities in a single column, and the financial position of all the City's Business-Type Activities in a single column; these columns are followed by a Total column that presents the financial position of the entire City. This column is followed by two individual columns, which display each discretely presented component unit.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. Since the City's Internal Service Funds service these Funds primarily, their activities are consolidated with Governmental Activities, after eliminating inter-fund transactions and balances. The City's Business-type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's net assets. It presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities, Business-type Activities, or discretely presented component unit columns, as appropriate, and the Change in Net Assets is computed and reconciled with the Statement of Net Assets.

Both these Statements include the financial activities of the City, the blended component units: Community Improvement Commission of the City of Alameda, the Alameda Public Financing Authority, the City of Alameda Police and Fire Retirement System Pension Plans 1079 and 1082, and the Alameda Reuse and Redevelopment Authority, which are legally separate but are component units of the City because they are controlled by the City, which is financially accountable for the activities of these entities. The balances and the activities of the discretely presented component units of the City of Alameda Power and Telecom and the Housing Authority of the City of Alameda are included in these statements as separate columns.

This Page Left Intentionally Blank

CITY OF ALAMEDA
STATEMENT OF NET ASSETS
JUNE 30, 2007

| | Primary Government | | | Component Units | |
|---|----------------------------|-----------------------------|----------------------|----------------------|---------------------|
| | Governmental Activities | Business-Type Activities | Total | Housing Authority | Power & Telecom |
| ASSETS | | | | | |
| Cash and cash equivalents (Note 2) | \$77,730,104 | \$19,505,336 | \$97,235,440 | \$11,020,159 | \$27,658,729 |
| Restricted cash and investments (Note 2) | 25,960,993 | 46 | 25,961,039 | 567,969 | 19,671,304 |
| Accounts receivable | 8,901,315 | 416,715 | 9,318,030 | 80,994 | 4,641,697 |
| Interest receivable | 1,261,708 | | 1,261,708 | 128,851 | 189,000 |
| Internal balances (Note 3) | (230,787) | 230,787 | | | |
| Due from other governments | 744,166 | | 744,166 | 125,130 | |
| Loans receivable (Note 4) | 14,277,811 | | 14,277,811 | 243,109 | 265,559 |
| Materials, parts and supplies | | 102,204 | 102,204 | 8,296 | 3,482,159 |
| Prepays, deposits and bond discounts | 1,801,148 | 451,691 | 2,252,839 | 55,841 | 1,616,638 |
| Share of certain NCPA projects and reserve (Note 12) | | | | | 18,424,997 |
| Capital assets (Note 5): | | | | | |
| Non-depreciable | 64,451,815 | 483,318 | 64,935,133 | 11,962,853 | 5,217,319 |
| Depreciable, net of accumulated depreciation | 207,899,634 | 50,522,936 | 258,422,570 | 18,065,640 | 80,373,144 |
| Management fee buyout | | | | | 5,544,000 |
| Total Assets | 402,797,907 | 71,713,033 | 474,510,940 | 42,258,842 | 167,084,546 |
| LIABILITIES | | | | | |
| Accounts payable | 6,261,003 | 278,947 | 6,539,950 | 315,491 | 3,302,460 |
| Accrued payroll | 1,957,406 | 52,235 | 2,009,641 | 75,482 | |
| Interest payable | 1,730,173 | 154,291 | 1,884,464 | 176,428 | 1,898,111 |
| Claims payable (Note 11) | 7,060,423 | | 7,060,423 | | |
| Deferred revenue | 652,671 | 193,079 | 845,750 | | |
| Refundable deposits | 2,752,233 | 25 | 2,752,258 | 385,537 | 569,840 |
| Due to other agencies | 1,023,716 | | 1,023,716 | 14,480 | |
| Loans payable (Note 6) | 4,739,197 | | 4,739,197 | | |
| Compensated absences (Note 11): | | | | | |
| Current | 2,945,322 | 148,673 | 3,093,995 | 133,403 | 628,121 |
| Long-term | 7,105,462 | 104,966 | 7,210,428 | 77,297 | |
| Net pension obligation (Note 10) | 80,000 | | 80,000 | | |
| Long-term debt (Note 7): | | | | | |
| Due within one year | 2,773,116 | 808,882 | 3,581,998 | 299,334 | 1,357,509 |
| Due in more than one year | 111,871,671 | 8,223,804 | 120,095,475 | 16,784,972 | 79,187,491 |
| Purchased power balancing account (Note 1) | | | | | 15,345,618 |
| Total Liabilities | 150,952,393 | 9,964,902 | 160,917,295 | 18,262,424 | 102,289,150 |
| NET ASSETS (Note 9) | | | | | |
| Invested in capital assets, net of related debt | 158,716,508 | 41,973,568 | 200,690,076 | 12,944,187 | 25,559,258 |
| Restricted for: | | | | | |
| Capital projects | 34,430,271 | | 34,430,271 | 499,918 | |
| Debt service | 11,278,959 | | 11,278,959 | | |
| Redevelopment projects | 27,127,741 | | 27,127,741 | | |
| Special revenue projects | 6,979,133 | | 6,979,133 | | |
| NCPA projects and reserve | | | | | 18,424,997 |
| Total Restricted Net Assets | 79,816,104 | | 79,816,104 | 499,918 | 18,424,997 |
| Unrestricted | 13,312,902 | 19,774,563 | 33,087,465 | 10,552,313 | 20,811,141 |
| Total Net Assets | \$251,845,514 | \$61,748,131 | \$313,593,645 | \$23,996,418 | \$64,795,396 |

See accompanying notes to financial statements

CITY OF ALAMEDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

| Functions/Programs | Expenses | Program Revenues | | |
|---------------------------------------|---------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government: | | | | |
| Governmental Activities: | | | | |
| General government | \$20,160,089 | \$13,697,081 | \$237,149 | |
| Police | 25,632,978 | 179,212 | 588,326 | |
| Fire | 23,911,788 | | 6,916 | |
| Public works | 4,465,955 | 1,488,380 | 2,529,401 | \$10,703,241 |
| Development services, planning and bu | 22,986,738 | 13,265,740 | 1,041,942 | 106,223 |
| Culture and recreation | 7,730,394 | 1,940,528 | 6,619,209 | 233,815 |
| Housing and community services | 5,802,261 | | 3,327,377 | 20,000 |
| Interest on long-term debt | 6,307,727 | | | |
| Total Governmental Activities | 116,997,930 | 30,570,941 | 14,350,320 | 11,063,279 |
| Business-type Activities: | | | | |
| Ferry services | 3,274,613 | 17,726 | 1,965,039 | |
| Golf course | 4,645,595 | 4,226,422 | 476 | |
| Sewer services | 4,244,145 | 5,667,296 | 25,000 | |
| Total Business-type Activities | 12,164,353 | 9,911,444 | 1,990,515 | |
| Total Primary Government | \$129,162,283 | \$40,482,385 | \$16,340,835 | \$11,063,279 |
| Component Units: | | | | |
| Housing Authority | \$25,890,669 | \$3,368,311 | \$27,623,882 | |
| Power & Telecom | 63,267,230 | 60,552,680 | | |
| Total Component Units | \$89,157,899 | \$63,920,991 | \$27,623,882 | |
| General revenues: | | | | |
| Taxes: | | | | |
| Property taxes | | | | |
| Incremental property tax | | | | |
| Urban runoff special assessments | | | | |
| Sales taxes | | | | |
| Utility users tax | | | | |
| Transfer tax | | | | |
| Other taxes | | | | |
| Motor vehicle in-lieu, unrestricted | | | | |
| Use of money and properties | | | | |
| Miscellaneous | | | | |
| Transfers (Note 3) | | | | |
| Total general revenues and transfers | | | | |
| Change in Net Assets | | | | |
| Beginning Net Assets | | | | |
| Ending Net Assets | | | | |

See accompanying notes to financial statements

| Net (Expense) Revenue and Changes in Net Assets | | | Net (Expense) Revenue and Changes in Net Assets | |
|--|-----------------------------|---------------|--|--------------------|
| Primary Government | | | Component Units | |
| Governmental Activities | Business-type Activities | Total | Housing Authority | Power & Telecom |
| (\$6,225,859) | | (\$6,225,859) | | |
| (24,865,440) | | (24,865,440) | | |
| (23,904,872) | | (23,904,872) | | |
| 10,255,067 | | 10,255,067 | | |
| (8,572,833) | | (8,572,833) | | |
| 1,063,158 | | 1,063,158 | | |
| (2,454,884) | | (2,454,884) | | |
| (6,307,727) | | (6,307,727) | | |
| (61,013,390) | | (61,013,390) | | |
| | (\$1,291,848) | (1,291,848) | | |
| | (418,697) | (418,697) | | |
| | 1,448,151 | 1,448,151 | | |
| | (262,394) | (262,394) | | |
| (61,013,390) | (262,394) | (61,275,784) | | |
| | | | \$5,101,524 | |
| | | | | (\$2,714,550) |
| | | | 5,101,524 | (2,714,550) |
| 26,137,534 | | 26,137,534 | | |
| 12,266,563 | | 12,266,563 | | |
| 2,668,301 | | 2,668,301 | | |
| 4,967,130 | | 4,967,130 | | |
| 8,702,101 | | 8,702,101 | | |
| 4,177,736 | | 4,177,736 | | |
| 7,184,959 | | 7,184,959 | | |
| 5,479,921 | | 5,479,921 | | |
| 5,897,661 | 1,004,169 | 6,901,830 | 496,214 | 2,308,658 |
| 345,906 | 146,541 | 492,447 | | |
| 1,293,540 | (1,293,540) | | | |
| 79,121,352 | (142,830) | 78,978,522 | 496,214 | 2,308,658 |
| 18,107,962 | (405,224) | 17,702,738 | 5,597,738 | (405,892) |
| 233,737,552 | 62,153,355 | 295,890,907 | 18,398,680 | 65,201,288 |
| \$251,845,514 | \$61,748,131 | \$313,593,645 | \$23,996,418 | \$64,795,396 |

This Page Left Intentionally Blank

| |
|------------------------------------|
| CITY OF ALAMEDA, CALIFORNIA |
|------------------------------------|

| |
|----------------------------------|
| FUND FINANCIAL STATEMENTS |
|----------------------------------|

| |
|---------------------------------|
| MAJOR GOVERNMENTAL FUNDS |
|---------------------------------|

The funds described below were determined to be Major Funds by the City in fiscal 2007. Individual non-major funds may be found in the Supplemental Information section.

GENERAL FUND

The General Fund is used for all general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The general fund accounts for all financial resources of the City which are not accounted for in another fund.

WEST END COMMUNITY IMPROVEMENT PROJECT AREA SPECIAL REVENUE FUND

This fund accounts for the tax increment proceeds and associated redevelopment project costs for the West End Community Improvement Project.

BUSINESS AND WATERFRONT IMPROVEMENT PROJECT AREA SPECIAL REVENUE FUND

This fund accounts for the tax increment proceeds and associated redevelopment project costs for the Business and Waterfront Improvement Project.

ALAMEDA POINT IMPROVEMENT PROJECT AREA SPECIAL REVENUE FUND

This fund accounts for the tax increment proceeds and associated redevelopment project costs for the proposed Alameda Point Improvement Project.

FISC LEASE REVENUE SPECIAL REVENUE FUND

This fund accounts for revenue from the Fleet Industrial Supply Center (FISC) lease and related capital improvement expenditures.

ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY SPECIAL REVENUE FUND

This fund accounts for the lease and rental activities, as well as the general operations associated with the reuse of the Alameda Naval Base.

THEATRE/PARKING STRUCTURE PROJECT SPECIAL REVENUE FUND

This fund accounts for funding resources and expenditures for the reconstruction of the Historic Alameda Theater and the construction of the multi-story Civic Center Garage.

HOME REPAYMENT SPECIAL REVENUE FUND

This fund accounts for County disbursed HOME funds for HOME eligible activities in the City.

CAPITAL IMPROVEMENT PROJECTS FUND

This fund accounts for monies for major capital improvement projects not provided for in one of the other capital projects funds.

CITY OF ALAMEDA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2007

| | General | West End Community Improvement Project Area Special Revenue | Business and Waterfront Improvement Project Area Special Revenue | Alameda Point Improvement Project Area Special Revenue | FISC Lease Revenue Special Revenue |
|---|---------------------|---|--|---|--|
| ASSETS | | | | | |
| Cash and cash equivalents (Note 2) | \$14,414,486 | \$2,034,827 | \$8,306,053 | \$509,392 | \$847,170 |
| Restricted cash and investments (Note 2) | 6,000 | 8,281,530 | | | |
| Accounts receivable | 4,343,081 | 35,822 | 558,320 | 2,497 | 191,310 |
| Interest receivable | 1,258,103 | | | | |
| Due from other funds (Note 3) | 445,565 | | | | |
| Advances to other funds (Note 3) | 3,658,995 | | | | |
| Due from other governments | | | | | |
| Loans receivable (Note 4) | 2,446,204 | 632,390 | 1,590,800 | | |
| Prepays and deposits | 544,441 | | | | |
| Total Assets | \$27,116,875 | \$10,984,569 | \$10,455,173 | \$511,889 | \$1,038,480 |
| LIABILITIES | | | | | |
| Accounts payable | \$1,526,445 | \$1,144,042 | \$609,381 | \$240,386 | \$147,283 |
| Accrued payroll | 1,801,197 | 7,493 | 11,386 | 4,576 | 33,146 |
| Due to other funds (Note 3) | | | | | |
| Due to other agencies | | | 1,023,716 | | |
| Advances from other funds (Note 3) | | | | 1,258,995 | 2,400,000 |
| Deferred revenue | 646,266 | 632,390 | 1,590,800 | | |
| Refundable deposits | 322,112 | | | | 63,735 |
| Loans payable (Note 6) | | | | | 4,739,197 |
| Total Liabilities | 4,296,020 | 1,783,925 | 3,235,283 | 1,503,957 | 7,383,361 |
| FUND BALANCES (Note 9) | | | | | |
| Fund balance | | | | | |
| Reserved for: | | | | | |
| Capital improvement | | | | | |
| Debt service | | | | | |
| Low and moderate income housing | | 798,683 | 5,947,261 | 320,813 | |
| Prepays, loans receivable, and advances to other funds | 6,649,640 | | | | |
| Unreserved: | | | | | |
| Designated for: | | | | | |
| Capital improvements | | | | | |
| Special Revenue Funds | | | | | |
| Capital Projects Funds | | | | | |
| Undesignated, Reported in: | | | | | |
| General Fund | 16,171,215 | | | | |
| Special Revenue Funds | | 8,401,961 | 1,272,629 | (1,312,881) | (6,344,881) |
| Capital Projects Funds | | | | | |
| Total Fund Balances (Deficits) | 22,820,855 | 9,200,644 | 7,219,890 | (992,068) | (6,344,881) |
| Total Liabilities and Fund Balances | \$27,116,875 | \$10,984,569 | \$10,455,173 | \$511,889 | \$1,038,480 |

See accompanying notes to financial statements

| Alameda Reuse and Redevelopment Authority Special Revenue | Theater/Parking Structure Project Special Revenue | HOME Repayment Special Revenue | Capital Improvement Projects | Other Governmental Funds | Total Governmental Funds |
|---|---|--------------------------------------|------------------------------------|--------------------------------|--------------------------------|
| \$9,583,970 | \$6,904,215 | | \$4,542,645 | \$29,686,935 | \$76,829,693 |
| | 1,814,397 | | 1,919,601 | 13,939,465 | 25,960,993 |
| 140,662 | | \$593 | 1,651,862 | 1,771,478 | 8,695,625 |
| | | | | 3,605 | 1,261,708 |
| | | | | | 445,565 |
| | | | | | 3,658,995 |
| | | | 744,166 | | 744,166 |
| | 2,800,000 | 3,401,691 | | 3,406,726 | 14,277,811 |
| | | | | 1,095,732 | 1,640,173 |
| <u>\$9,724,632</u> | <u>\$11,518,612</u> | <u>\$3,402,284</u> | <u>\$8,858,274</u> | <u>\$49,903,941</u> | <u>\$133,514,729</u> |
| \$312,975 | \$1,037,288 | | \$483,082 | \$553,371 | \$6,054,253 |
| 14,987 | | | 1,781 | 74,379 | 1,948,945 |
| | | | | 369,785 | 369,785 |
| | | | | | 1,023,716 |
| 300,000 | | | | | 3,958,995 |
| | 2,800,000 | \$3,401,691 | | 3,413,130 | 12,484,277 |
| 557,318 | 815,044 | | 937,246 | 56,778 | 2,752,233 |
| | | | | | 4,739,197 |
| <u>1,185,280</u> | <u>4,652,332</u> | <u>3,401,691</u> | <u>1,422,109</u> | <u>4,467,443</u> | <u>33,331,401</u> |
| | | | | 12,237,894 | 12,237,894 |
| | | | | 11,278,959 | 11,278,959 |
| | | | | 1,228,373 | 8,295,130 |
| | | | | 987,474 | 7,637,114 |
| | | | 7,436,165 | | 7,436,165 |
| | | | | 6,833,432 | 6,833,432 |
| | | | | 1,394,997 | 1,394,997 |
| | | | | | 16,171,215 |
| 8,539,352 | 6,866,280 | 593 | | 7,237,576 | 24,660,629 |
| | | | | 4,237,793 | 4,237,793 |
| <u>8,539,352</u> | <u>6,866,280</u> | <u>593</u> | <u>7,436,165</u> | <u>45,436,498</u> | <u>100,183,328</u> |
| <u>\$9,724,632</u> | <u>\$11,518,612</u> | <u>\$3,402,284</u> | <u>\$8,858,274</u> | <u>\$49,903,941</u> | <u>\$133,514,729</u> |

This Page Left Intentionally Blank

CITY OF ALAMEDA
Reconciliation of
GOVERNMENTAL FUNDS -- FUND BALANCES
with
GOVERNMENTAL NET ASSETS
JUNE 30, 2007

| | |
|--|---------------|
| Total fund balances reported on the governmental funds balance sheet | \$100,183,328 |
|--|---------------|

Amounts reported for Governmental Activities in the Statement of Net Assets are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

| | |
|--|-------------|
| Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds. | 271,549,844 |
|--|-------------|

ALLOCATION OF INTERNAL SERVICE FUND NET ASSETS

Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance, central services and maintenance to individual governmental funds. The net current assets of the Internal Service Funds are therefore included in Governmental Activities in the following line items in the Statement of Net Assets.

| | |
|----------------------|-------------|
| Cash and investments | 900,411 |
| Accounts receivable | 205,690 |
| Prepays and deposits | 160,975 |
| Capital assets | 801,605 |
| Internal balances | (6,567) |
| Accounts payable | (206,750) |
| Accrued payroll | (8,461) |
| Claims payable | (7,060,423) |
| Long-term debt | (562,395) |

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

| | |
|--|------------|
| Revenues which are deferred on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities. | 11,831,606 |
|--|------------|

LONG-TERM ASSETS AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:

| | |
|------------------------|---------------|
| Interest payable | (1,730,173) |
| Net pension obligation | (80,000) |
| Long-term debt | (114,082,392) |
| Compensated absences | (10,050,784) |

| | |
|---------------------------------------|---------------|
| NET ASSETS OF GOVERNMENTAL ACTIVITIES | \$251,845,514 |
|---------------------------------------|---------------|

See accompanying notes to financial statements

CITY OF ALAMEDA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2007

| | <u>General</u> | <u>West End Community Improvement Project Area Special Revenue</u> | <u>Business and Waterfront Improvement Project Area Special Revenue</u> | <u>Alameda Point Improvement Project Area Special Revenue</u> | <u>FISC Lease Revenue Special Revenue</u> |
|--|---------------------|--|---|---|---|
| REVENUES | | | | | |
| Property taxes | \$21,050,628 | \$5,033,710 | \$5,848,874 | \$1,383,979 | |
| Other local taxes | 24,435,752 | | 596,554 | | |
| Licenses and permits | 4,269,513 | | | | |
| Revenues from other agencies | 8,920,739 | 23,827 | | | \$6,512,769 |
| Charges for current services | 6,690,872 | | | | 11,850 |
| Fines and forfeitures | 813,381 | | | | |
| Use of money and property | 1,408,311 | 737,713 | 315,138 | 24,823 | 1,181,094 |
| Affordable housing fee | | | | | |
| Other | 142,038 | | 687,900 | | 264,675 |
| Total Revenues | 67,731,234 | 5,795,250 | 7,448,466 | 1,408,802 | 7,970,388 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 6,959,510 | 3,341,153 | 1,334,320 | 220,370 | |
| Police | 25,244,920 | | | | |
| Fire | 23,634,196 | | | | |
| Public works | 6,205,167 | | | | |
| Development services, planning and building | 3,543,549 | | | | 938,362 |
| Culture and recreation | 3,895,407 | | | | |
| Housing and community services | | 727,037 | 1,352,727 | 327,344 | |
| Capital outlay | 1,568,247 | 698 | 1,863 | | 8,478,129 |
| Debt service: | | | | | |
| Principal | 222,117 | 137,500 | 22,500 | | |
| Interest and fiscal charges | 45,204 | 137,694 | 24,363 | 75,540 | 216,112 |
| Total Expenditures | 71,318,317 | 4,344,082 | 2,735,773 | 623,254 | 9,632,603 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (3,587,083) | 1,451,168 | 4,712,693 | 785,548 | (1,662,215) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from issuance of loan | | | | | |
| Proceeds from sale of property | 12,838 | | | | |
| Transfers in (Note 3) | 6,623,244 | 1,528 | | | 2,942,430 |
| Transfers (out) (Note 3) | (4,801,870) | (11,336,179) | (1,333,745) | (761,125) | (1,937,111) |
| Total Other Financing Sources (Uses) | 1,834,212 | (11,334,651) | (1,333,745) | (761,125) | 1,005,319 |
| NET CHANGE IN FUND BALANCES | (1,752,871) | (9,883,483) | 3,378,948 | 24,423 | (656,896) |
| BEGINNING FUND BALANCES (DEFICITS) | 24,573,726 | 19,084,127 | 3,840,942 | (1,016,491) | (5,687,985) |
| ENDING FUND BALANCES (DEFICITS) | \$22,820,855 | \$9,200,644 | \$7,219,890 | (\$992,068) | (\$6,344,881) |

See accompanying notes to financial statements

| Alameda Reuse and Redevelopment Authority Special Revenue | HOME Repayment Special Revenue | Theater/Parking Structure Project Special Revenue | Capital Improvement Projects | Other Governmental Funds | Total Governmental Funds |
|---|--------------------------------------|---|------------------------------------|--------------------------------|--------------------------------|
| | | | | \$6,621,548 | \$39,938,739 |
| | | | | 1,093,245 | 26,125,551 |
| | | | | 12,350 | 4,281,863 |
| \$284,221 | | \$258,700 | \$5,378,612 | 8,418,325 | 29,797,193 |
| 44,834 | | | 45,458 | 3,159,896 | 9,952,910 |
| | | | | 179,212 | 992,593 |
| 11,405,154 | \$81,626 | 469,505 | 232,104 | 2,806,615 | 18,662,083 |
| | | | | 158,747 | 158,747 |
| 141,000 | | | 19,644 | 23,517 | 1,278,774 |
| 11,875,209 | 81,626 | 728,205 | 5,675,818 | 22,473,455 | 131,188,453 |
| | | | | 1,906,876 | 13,762,229 |
| | | | | | 25,244,920 |
| | | | | | 23,634,196 |
| | | | | 1,687,391 | 7,892,558 |
| 7,901,265 | | 16,129,232 | | | 28,512,408 |
| | 81,033 | | | 2,726,527 | 6,621,934 |
| | | | 11,995,444 | 3,761,448 | 6,249,589 |
| | | | | 1,623,532 | 23,667,913 |
| | | | 6,256 | 1,530,250 | 1,918,623 |
| | | 20,164 | 566 | 5,772,319 | 6,291,962 |
| 7,901,265 | 81,033 | 16,149,396 | 12,002,266 | 19,008,343 | 143,796,332 |
| 3,973,944 | 593 | (15,421,191) | (6,326,448) | 3,465,112 | (12,607,879) |
| | | 4,000,000 | | | 4,000,000 |
| | | | | 12,188 | 25,026 |
| 211,047 | | 18,287,471 | 6,406,546 | 8,386,272 | 42,858,538 |
| (2,108,872) | | | (1,469,462) | (17,839,999) | (41,588,363) |
| (1,897,825) | | 22,287,471 | 4,937,084 | (9,441,539) | 5,295,201 |
| 2,076,119 | 593 | 6,866,280 | (1,389,364) | (5,976,427) | (7,312,678) |
| 6,463,233 | | | 8,825,529 | 51,412,925 | 107,496,006 |
| \$8,539,352 | \$593 | \$6,866,280 | \$7,436,165 | \$45,436,498 | \$100,183,328 |

CITY OF ALAMEDA
Reconciliation of the
NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS
with the change in
GOVERNMENTAL NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2007

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Assets of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (\$7,312,678)

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

| | |
|---|-------------|
| The capital outlay expenditures are therefore added back to fund balance | 30,589,506 |
| Other capitalized expenditures are therefore added back to fund balance | 8,056,212 |
| Depreciation expense is deducted from fund balance | (7,224,036) |
| (Depreciation expense is net of internal service fund depreciation of \$106,375 which has already been allocated to serviced funds) | |
| Net retirements of capital assets are deducted from fund balance | (3,199,235) |

LONG TERM DEBT PROCEEDS AND PAYMENTS

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Assets the repayment reduces long-term liabilities.

| | |
|---|-------------|
| Proceeds from the issuance of debt are deducted from fund balance | (4,000,000) |
| Repayment of debt principal is added back to fund balance | 1,918,623 |

ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

| | |
|------------------------|-------------|
| Deferred revenue | 3,339,089 |
| Interest payable | (79,626) |
| Net pension obligation | 428,000 |
| Compensated absences | (3,178,890) |

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.

| | |
|---|-------------|
| Change in Net Assets - All Internal Service Funds | (1,229,003) |
|---|-------------|

| | |
|---|--------------|
| CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES | \$18,107,962 |
|---|--------------|

See accompanying notes to financial statements

CITY OF ALAMEDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--------------------------------------|------------------|--------------|--------------|---|
| | Original | Final | Actual | |
| REVENUES: | | | | |
| Property taxes | \$20,883,496 | \$20,883,495 | \$21,050,628 | \$167,133 |
| Other local taxes | 27,888,463 | 25,388,467 | 24,435,752 | (952,715) |
| Licenses and permits | 4,467,253 | 4,617,253 | 4,269,513 | (347,740) |
| Revenues from other agencies | 7,152,630 | 9,739,974 | 8,920,739 | (819,235) |
| Charges for current services | 7,979,799 | 7,524,761 | 6,690,872 | (833,889) |
| Fines and forfeitures | 731,850 | 731,850 | 813,381 | 81,531 |
| Use of money and property | 1,862,440 | 1,862,666 | 1,408,311 | (454,355) |
| Other revenue | | | 142,038 | 142,038 |
| Total Revenues | 70,965,931 | 70,748,466 | 67,731,234 | (3,017,232) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 7,129,237 | 7,363,906 | 6,959,510 | 404,396 |
| Police | 24,509,350 | 25,669,855 | 25,244,920 | 424,935 |
| Fire | 21,819,312 | 24,242,269 | 23,634,196 | 608,073 |
| Public works | 7,939,002 | 8,287,111 | 6,205,167 | 2,081,944 |
| Planning and building | 4,390,149 | 4,017,661 | 3,543,549 | 474,112 |
| Culture and recreation | 4,067,093 | 4,121,242 | 3,895,407 | 225,835 |
| Capital outlay | 1,891,104 | 2,293,147 | 1,568,247 | 724,900 |
| Debt service: | | | | |
| Principal | 137,347 | 207,366 | 222,117 | (14,751) |
| Interest and fiscal charges | 12,145 | 10,428 | 45,204 | (34,776) |
| Total Expenditures | 71,894,739 | 76,212,985 | 71,318,317 | 4,894,668 |
| NET CHANGE IF FUND REVENUES | (928,808) | (5,464,519) | (3,587,083) | 1,877,436 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 7,345,618 | 8,292,176 | 6,623,244 | (1,668,932) |
| Transfers (out) | (8,026,716) | (10,790,627) | (4,801,870) | 5,988,757 |
| Sale of capital assets | | 21,293 | 12,838 | (8,455) |
| Total other financing sources (uses) | (681,098) | (2,477,158) | 1,834,212 | 4,311,370 |
| NET CHANGE IN FUND BALANCE | (1,609,906) | (7,941,677) | (1,752,871) | 6,188,806 |
| Beginning fund balance | 24,573,726 | 24,573,726 | 24,573,726 | |
| Ending fund balance | \$22,963,820 | \$16,632,049 | \$22,820,855 | \$6,188,806 |

See accompanying notes to financial statements

CITY OF ALAMEDA
WEST END COMMUNITY IMPROVEMENT PROJECT AREA
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------------|---------------------|---|
| | Original | Final | Actual | |
| REVENUES: | | | | |
| Property taxes | \$4,252,870 | \$5,320,090 | \$5,033,710 | (\$286,380) |
| Revenues from other agencies | | | 23,827 | 23,827 |
| Use of money and property | | | 737,713 | 737,713 |
| Total Revenues | <u>4,252,870</u> | <u>5,320,090</u> | <u>5,795,250</u> | <u>475,160</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 1,751,082 | 4,180,035 | 3,341,153 | 838,882 |
| Housing and community services | | 750,000 | 727,037 | 22,963 |
| Capital outlay | | | 698 | (698) |
| Debt service: | | | | |
| Principal retirements | | 137,500 | 137,500 | |
| Interest and fiscal charges | | 137,694 | 137,694 | |
| Total Expenditures | <u>1,751,082</u> | <u>5,205,229</u> | <u>4,344,082</u> | <u>861,147</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>2,501,788</u> | <u>114,861</u> | <u>1,451,168</u> | <u>1,336,307</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 250,000 | | 1,528 | 1,528 |
| Transfers (out) | (3,372,030) | (23,196,077) | (11,336,179) | 11,859,898 |
| Total other financing sources (uses) | <u>(3,122,030)</u> | <u>(23,196,077)</u> | <u>(11,334,651)</u> | <u>11,861,426</u> |
| NET CHANGE IN FUND BALANCE | <u>(\$620,242)</u> | <u>(\$23,081,216)</u> | <u>(9,883,483)</u> | <u>\$13,197,733</u> |
| Beginning fund balance | | | <u>19,084,127</u> | |
| Ending fund balance | | | <u>\$9,200,644</u> | |

See accompanying notes to financial statements

CITY OF ALAMEDA
BUSINESS AND WATERFRONT IMPROVEMENT PROJECT AREA
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|-------------|-------------|---|
| | Original | Final | Actual | |
| REVENUES: | | | | |
| Property taxes | \$5,290,408 | \$5,163,619 | \$5,848,874 | \$685,255 |
| Other taxes | | 469,749 | 596,554 | 126,805 |
| Use of money and property | | 62,291 | 315,138 | 252,847 |
| Charges for services | | 600,000 | 687,900 | 87,900 |
| Other | 700,000 | 700,000 | | (700,000) |
| Total Revenues | 5,990,408 | 6,995,659 | 7,448,466 | 452,807 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 2,869,277 | 3,965,246 | 1,334,320 | 2,630,926 |
| Housing and community services | | 1,433,943 | 1,352,727 | 81,216 |
| Capital outlay | 16,000 | 16,122 | 1,863 | 14,259 |
| Debt service: | | | | |
| Principal retirements | | 22,500 | 22,500 | |
| Interest and fiscal charges | | 24,364 | 24,363 | 1 |
| Total Expenditures | 2,885,277 | 5,462,175 | 2,735,773 | 2,726,402 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 3,105,131 | 1,533,484 | 4,712,693 | 3,179,209 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | | 369,606 | | (369,606) |
| Transfers (out) | (2,698,514) | (1,703,380) | (1,333,745) | 369,635 |
| Total other financing sources (uses) | (2,698,514) | (1,333,774) | (1,333,745) | 29 |
| NET CHANGE IN FUND BALANCE | \$406,617 | \$199,710 | 3,378,948 | \$3,179,238 |
| Beginning fund balance | | | 3,840,942 | |
| Ending fund balance | | | \$7,219,890 | |

See accompanying notes to financial statements

CITY OF ALAMEDA
ALAMEDA POINT IMPROVEMENT PROJECT AREA
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|-------------|-------------|---|
| | Original | Final | Actual | |
| REVENUES: | | | | |
| Property taxes | \$325,145 | \$1,383,294 | \$1,383,979 | \$685 |
| Use of money and property | | 4,541 | 24,823 | 20,282 |
| Total Revenues | 325,145 | 1,387,835 | 1,408,802 | 20,967 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 128,729 | 263,500 | 220,370 | 43,130 |
| Housing and community services | 67,955 | 327,344 | 327,344 | |
| Debt service: | | | | |
| Interest and fiscal charges | | 37,768 | 75,540 | (37,772) |
| Total Expenditures | 196,684 | 628,612 | 623,254 | 5,358 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 128,461 | 759,223 | 785,548 | 26,325 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 100,000 | 100,000 | | (100,000) |
| Transfers (out) | (118,915) | (785,780) | (761,125) | 24,655 |
| Total other financing sources (uses) | (18,915) | (685,780) | (761,125) | (75,345) |
| NET CHANGE IN FUND BALANCE | \$109,546 | \$73,443 | 24,423 | (\$49,020) |
| Beginning fund balance (deficit) | | | (1,016,491) | |
| Ending fund balance (deficit) | | | (\$992,068) | |

See accompanying notes to financial statements

CITY OF ALAMEDA
FISC LEASE REVENUE
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|-------------|---------------|---|
| | Original | Final | Actual | |
| REVENUES: | | | | |
| Property tax | | \$1,165,811 | | (\$1,165,811) |
| Revenues from other agencies | \$10,664,205 | 9,498,394 | \$6,512,769 | (2,985,625) |
| Charges for current services | 620,115 | 620,115 | 11,850 | (608,265) |
| Use of money and property | 775,000 | 775,000 | 1,181,094 | 406,094 |
| Other | 386,787 | 386,787 | 264,675 | (122,112) |
| Total Revenues | 12,446,107 | 12,446,107 | 7,970,388 | (4,475,719) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Development services, planning and building | 4,318,813 | 5,149,247 | 938,362 | 4,210,885 |
| Capital outlay | | 8,531,217 | 8,478,129 | 53,088 |
| Debt service: | | | | |
| Interest and fiscal charges | 3,875,512 | 144,000 | 216,112 | (72,112) |
| Total Expenditures | 8,194,325 | 13,824,464 | 9,632,603 | 4,191,861 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 4,251,782 | (1,378,357) | (1,662,215) | (283,858) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | | 15,000 | 2,942,430 | 2,927,430 |
| Transfers (out) | (503,916) | (850,874) | (1,937,111) | (1,086,237) |
| Total other financing sources (uses) | (503,916) | (835,874) | 1,005,319 | 1,841,193 |
| NET CHANGE IN FUND BALANCE | 3,747,866 | (2,214,231) | (656,896) | 1,557,335 |
| Beginning fund balance | | | (5,687,985) | |
| Ending fund balance | | | (\$6,344,881) | |

See accompanying notes to financial statements

CITY OF ALAMEDA
ALAMEDA REUSE AND REDEVELOPMENT AREA
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|---------------|-------------|---|
| | Original | Final | Actual | |
| REVENUES: | | | | |
| Revenue from other agencies | | | \$284,221 | \$284,221 |
| Charges for current services | | | 44,834 | 44,834 |
| Use of money and property | \$10,869,808 | \$10,869,808 | 11,405,154 | 535,346 |
| Other | | | 141,000 | 141,000 |
| Total Revenues | 10,869,808 | 10,869,808 | 11,875,209 | 1,005,401 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Development services, planning and building | 9,712,585 | 10,011,819 | 7,901,265 | 2,110,554 |
| Total Expenditures | 9,712,585 | 10,011,819 | 7,901,265 | 2,110,554 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 1,157,223 | 857,989 | 3,973,944 | 3,115,955 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | | | 211,047 | 211,047 |
| Transfers (out) | (2,927,985) | (2,678,643) | (2,108,872) | 569,771 |
| Total other financing sources (uses) | (2,927,985) | (2,678,643) | (1,897,825) | 780,818 |
| NET CHANGE IN FUND BALANCE | (\$1,770,762) | (\$1,820,654) | 2,076,119 | \$3,896,773 |
| Beginning fund balance | | | 6,463,233 | |
| Ending fund balance | | | \$8,539,352 | |

See accompanying notes to financial statements

CITY OF ALAMEDA
HOME REPAYMENT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|----------|----------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property | | \$81,033 | \$81,626 | \$593 |
| Total Revenues | | 81,033 | 81,626 | 593 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Development services, planning and building | \$305,371 | 81,033 | 81,033 | |
| Total Expenditures | 305,371 | 81,033 | 81,033 | |
| NET CHANGE IN FUND BALANCE | (305,371) | | 593 | \$593 |
| Beginning fund balance | | | | |
| Ending fund balance | | | \$593 | |

See accompanying notes to financial statements

CITY OF ALAMEDA
THEATER/PARKING STRUCTURE PROJECT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

| | <u>Budgeted</u> | | | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| REVENUES: | | | | |
| Property tax | | \$1,129,878 | | (\$1,129,878) |
| Revenue from other agencies | \$8,139,878 | 7,010,000 | \$258,700 | (6,751,300) |
| Use of money and property | <u>18,817</u> | <u>18,817</u> | <u>469,505</u> | <u>450,688</u> |
| Total Revenues | <u>8,158,695</u> | <u>8,158,695</u> | <u>728,205</u> | <u>(7,430,490)</u> |
| EXPENDITURES: | | | | |
| Development services, planning and building | 27,831,000 | 27,831,000 | 16,129,232 | 11,701,768 |
| Debt service: | | | | |
| Interest and fiscal charges | | | <u>20,164</u> | <u>(20,164)</u> |
| Total Expenditures | <u>27,831,000</u> | <u>27,831,000</u> | <u>16,149,396</u> | <u>11,681,604</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(19,672,305)</u> | <u>(19,672,305)</u> | <u>(15,421,191)</u> | <u>4,251,114</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from issuance of loan | 11,027,015 | 11,027,015 | 4,000,000 | 7,027,015 |
| Transfers in | 8,676,254 | 2,729,994 | 7,156,013 | (4,426,019) |
| Transfers in from the City | | <u>5,946,260</u> | <u>11,131,458</u> | <u>(5,185,198)</u> |
| Total other financing sources (uses) | <u>19,703,269</u> | <u>19,703,269</u> | <u>22,287,471</u> | <u>(2,584,202)</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | <u>\$30,964</u> | <u>\$30,964</u> | 6,866,280 | <u>\$6,835,316</u> |
| Beginning fund balance | | | | |
| Ending fund balance | | | <u>\$6,866,280</u> | |

See accompanying notes to financial statements

| |
|------------------------------------|
| CITY OF ALAMEDA, CALIFORNIA |
|------------------------------------|

| |
|--------------------------------|
| MAJOR PROPRIETARY FUNDS |
|--------------------------------|

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

FERRY SERVICES

This fund accounts for all financial transactions relating to the City's ferry services including but not limited to the contractual payments to the operators and ferry vessel acquisition and maintenance.

GOLF COURSE

The City operates two 18-hole and one 9-hole municipal golf courses. This fund accounts for all financial transactions relating to these golf facilities, including but not limited to operations and maintenance.

SEWER SERVICES

The City operates its own sewer system and this fund accounts for all financial transactions relating to this municipal activity including, but not limited to operations, maintenance, financing and related debt services, billing and collection.

CITY OF ALAMEDA
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2007

| | Business-type Activities-Enterprise Funds | | | | Governmental Activities- Internal Service Funds |
|--|---|-------------|-------------------|--------------|--|
| | Ferry Services | Golf Course | Sewer Services | Totals | |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents (Note 2) | | \$2,249,275 | \$17,256,061 | \$19,505,336 | \$900,411 |
| Accounts receivable | \$130,244 | 9,047 | 277,424 | 416,715 | 205,690 |
| Materials, parts and supplies | | 102,204 | | 102,204 | |
| Prepays, deposits and bond discounts | | 3,798 | 447,893 | 451,691 | 160,975 |
| Total Current Assets | 130,244 | 2,364,324 | 17,981,378 | 20,475,946 | 1,267,076 |
| Noncurrent Assets | | | | | |
| Restricted cash and investments (Note 2) | | | 46 | 46 | |
| Advances to other funds (Note 3) | | 300,000 | | 300,000 | |
| Capital assets (Note 5): | | | | | |
| Non-depreciable | | 460,118 | 23,200 | 483,318 | |
| Depreciable, net | 8,896,730 | 3,624,878 | 38,001,328 | 50,522,936 | 801,605 |
| Total Non-current assets | 8,896,730 | 4,384,996 | 38,024,574 | 51,306,300 | 801,605 |
| Total Assets | 9,026,974 | 6,749,320 | 56,005,952 | 71,782,246 | 2,068,681 |
| LIABILITIES | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | 29,065 | 148,062 | 101,820 | 278,947 | 206,750 |
| Claims payable (Note 11) | | | | | 7,060,423 |
| Accrued payroll | | 35,367 | 16,868 | 52,235 | 8,461 |
| Interest payable | | | 154,291 | 154,291 | |
| Due to other funds (Note 3) | 69,213 | | | 69,213 | 6,567 |
| Deferred revenue | | 193,079 | | 193,079 | |
| Refundable deposits | 25 | | | 25 | |
| Compensated absences (Note 11) | | 134,710 | 118,929 | 253,639 | |
| Long-term debt - current (Note 7) | | 201,362 | 607,520 | 808,882 | 192,821 |
| Total Current Liabilities | 98,303 | 712,580 | 999,428 | 1,810,311 | 7,475,022 |
| Long-term debt - noncurrent (Note 7) | | 138,939 | 8,084,865 | 8,223,804 | 369,574 |
| Total Liabilities | 98,303 | 851,519 | 9,084,293 | 10,034,115 | 7,844,596 |
| NET ASSETS (Note 9) | | | | | |
| Invested in capital assets, net of related debt | 8,896,730 | 3,744,695 | 29,332,143 | 41,973,568 | 432,031 |
| Unrestricted | 31,941 | 2,153,106 | 17,589,516 | 19,774,563 | (6,207,946) |
| Total Net Assets (Deficit) | \$8,928,671 | \$5,897,801 | \$46,921,659 | \$61,748,131 | (\$5,775,915) |

See accompanying notes to financial statements

CITY OF ALAMEDA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUE, EXPENSES
 AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2007

| | Business-type Activities-Enterprise Funds | | | | Governmental Activities- Internal Service Funds |
|--|---|-------------|-------------------|--------------|--|
| | Ferry Services | Golf Course | Sewer Services | Totals | |
| OPERATING REVENUES | | | | | |
| Charges for services | \$17,726 | \$4,226,422 | \$5,667,296 | \$9,911,444 | \$6,647,056 |
| Miscellaneous | 83,401 | 43,317 | 19,823 | 146,541 | |
| Total Operating Revenues | 101,127 | 4,269,739 | 5,687,119 | 10,057,985 | 6,647,056 |
| OPERATING EXPENSES | | | | | |
| General, administrative and selling | \$59,210 | 339,574 | 658,438 | 1,057,222 | 553,144 |
| Wages and benefits | | 2,375,794 | 1,538,622 | 3,914,416 | 651,346 |
| Insurance | | | | | 4,428,027 |
| Contractual services | 2,596,695 | 959,028 | 690,106 | 4,245,829 | 1,686,196 |
| Depreciation | 433,749 | 352,805 | 959,172 | 1,745,726 | 106,375 |
| Supplies and maintenance | 177,111 | 601,780 | 119,751 | 898,642 | 485,273 |
| Total Operating Expenses | 3,266,765 | 4,628,981 | 3,966,089 | 11,861,835 | 7,910,361 |
| Operating Income (Loss) | (3,165,638) | (359,242) | 1,721,030 | (1,803,850) | (1,263,305) |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Operating grants and contributions | 1,965,039 | 476 | 25,000 | 1,990,515 | |
| Interest income | 225 | 117,491 | 845,558 | 963,274 | 50,413 |
| Rent and other | | 40,895 | | 40,895 | |
| Interest, fiscal charges and lease (expense) | (7,848) | (16,614) | (278,056) | (302,518) | (39,476) |
| Total Nonoperating Revenues (Expenses) | 1,957,416 | 142,248 | 592,502 | 2,692,166 | 10,937 |
| Income (Loss) Before Contributions and Transfers | (1,208,222) | (216,994) | 2,313,532 | 888,316 | (1,252,368) |
| Transfers in (Note 3) | 774,698 | 32,516 | | 807,214 | 99,266 |
| Transfers (out) (Note 3) | | (457,236) | (1,643,518) | (2,100,754) | (75,901) |
| Change in net assets | (433,524) | (641,714) | 670,014 | (405,224) | (1,229,003) |
| BEGINNING NET ASSETS (DEFICITS) | 9,362,195 | 6,539,515 | 46,251,645 | 62,153,355 | (4,546,912) |
| ENDING NET ASSETS (DEFICITS) | \$8,928,671 | \$5,897,801 | \$46,921,659 | \$61,748,131 | (\$5,775,915) |

See accompanying notes to financial statements

CITY OF ALAMEDA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2007

| | Business-type Activities-Enterprise Funds | | | | Governmental Activities-Internal Service Funds |
|---|---|-------------|----------------|---------------|--|
| | Ferry Services | Golf Course | Sewer Services | Totals | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from (payments to) customers | (\$29,117) | \$4,264,523 | \$5,693,480 | \$9,928,886 | \$6,504,457 |
| Payments to suppliers | (2,667,301) | (1,535,885) | (1,246,647) | (5,449,833) | (4,399,397) |
| Payments to employees | (59,210) | (2,672,510) | (2,150,959) | (4,882,679) | (707,266) |
| Claims paid | | | | | (2,760,022) |
| Cash Flows from Operating Activities | (2,755,628) | 56,128 | 2,295,874 | (403,626) | (1,362,228) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Operating grants and contributions | 1,986,063 | 476 | 25,000 | 2,011,539 | |
| Interfund payments | 2,490 | | | 2,490 | 6,567 |
| Transfers in | 774,698 | 32,516 | | 807,214 | 23,365 |
| Transfers (out) | | (457,236) | (1,643,518) | (2,100,754) | |
| Cash Flows from Noncapital Financing Activities | 2,763,251 | (424,244) | (1,618,518) | 720,489 | 29,932 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Acquisition of capital assets, net | | (254,836) | (1,355,791) | (1,610,627) | (149,550) |
| Proceeds from capital debt | | 200,609 | | 200,609 | |
| Principal payments on capital debt | | (114,996) | (588,054) | (703,050) | (334,859) |
| Interest paid | (7,848) | (16,614) | (376,919) | (401,381) | (39,476) |
| Cash Flows from Capital and Related Financing Activities | (7,848) | (185,837) | (2,320,764) | (2,514,449) | (523,885) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Restricted investments | | | 1,145,425 | 1,145,425 | |
| Interest income | 225 | 117,491 | 845,558 | 963,274 | 50,413 |
| Rent and other | | 40,895 | | 40,895 | |
| Cash Flows from Investing Activities | 225 | 158,386 | 1,990,983 | 2,149,594 | 50,413 |
| Net Cash Flows | | (395,567) | 347,575 | (47,992) | (1,805,768) |
| Cash and investments at beginning of period | | 2,644,842 | 16,908,486 | 19,553,328 | 2,706,179 |
| Cash and investments at end of period | | \$2,249,275 | \$17,256,061 | \$19,505,336 | \$900,411 |
| Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities: | | | | | |
| Operating income (loss) | (\$3,165,638) | (\$359,242) | \$1,721,030 | (\$1,803,850) | (\$1,263,305) |
| Adjustments to reconcile operating income to cash flows from operating activities: | | | | | |
| Depreciation | 433,749 | 352,805 | 959,172 | 1,745,726 | 106,375 |
| Change in assets and liabilities: | | | | | |
| Accounts receivable and refundable deposits | (130,244) | (1,418) | 6,361 | (125,301) | (142,599) |
| Materials, parts and supplies | | (25,132) | | (25,132) | |
| Prepays and deposits | 118,642 | | 42,658 | 161,300 | (6,972) |
| Due from other governments | | | | | |
| Deposits | | (3,798) | | (3,798) | |
| Accounts payable | (12,137) | 29,896 | (479,448) | (461,689) | (213,444) |
| Claims payable | | | | | 157,105 |
| Accrued payroll | | 5,435 | 3,574 | 9,009 | 612 |
| Deferred revenue | | 20,159 | | 20,159 | |
| Compensated absences | | 37,423 | 42,527 | 79,950 | |
| Cash Flows from Operating Activities | (\$2,755,628) | \$56,128 | \$2,295,874 | (\$403,626) | (\$1,362,228) |

See accompanying notes to financial statements

| |
|------------------------------------|
| CITY OF ALAMEDA, CALIFORNIA |
|------------------------------------|

| |
|------------------------|
| FIDUCIARY FUNDS |
|------------------------|

Trust funds are used to account for assets held by the City as a trustee agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Entity-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

Pension Trust Funds are used to account for the resources accumulated by the City for the payment of pension benefits on behalf of retirees in the City's pension plans.

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments.

CITY OF ALAMEDA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2007

| | <u>Trust Funds</u> | <u>Agency Funds</u> |
|--|------------------------|-------------------------|
| ASSETS | | |
| Restricted cash and investments (Note 2) | \$0 | \$51,366,818 |
| Accounts receivable | | 162,166 |
| | <u>0</u> | <u>51,528,984</u> |
| Total Assets | | |
| LIABILITIES | | |
| Refundable deposits | | 139,641 |
| Due to members | | 386,509 |
| Due to assessment districts | | 51,002,834 |
| | <u>0</u> | <u>\$51,528,984</u> |
| Total Liabilities | | |
| NET ASSETS | | |
| Reserved for: | | |
| Employees' pension benefits | <u>0</u> | |
| | <u>\$0</u> | |
| Total Net Assets | | |

See accompanying notes to financial statements

CITY OF ALAMEDA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | Pension Trust Funds |
|---|-----------------------------|
| | <u> </u> |
| ADDITIONS | |
| Employer contributions | <u>\$3,062,594</u> |
| Total Additions | <u>3,062,594</u> |
| DEDUCTIONS | |
| Retirements and other benefits | 3,057,157 |
| Contractual services | <u>5,437</u> |
| Total Deductions | <u>3,062,594</u> |
| CHANGE IN NET ASSETS | |
| NET ASSETS (DEFICIT), BEGINNING OF YEAR | <u> </u> |
| NET ASSETS, END OF YEAR | <u> </u> |

See accompanying notes to financial statements

This Page Left Intentionally Blank

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Alameda, California occupies the island of Alameda in the San Francisco Bay. The City operates under the Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, sanitation, development services, public improvements, planning and zoning and general administration services.

A. *Reporting Entity*

The City is governed by a five-member council elected by City residents. The City is legally separate and fiscally independent which means it can issue debt, set and modify budgets and fees and sue or be sued. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the basic financial statements to emphasize it is legally separate from the government.

PRIMARY GOVERNMENT

The financial statements of the primary government of the City of Alameda include the activities of the City as well as the Community Improvement Commission of the City of Alameda, Alameda Public Finance Authority, the City of Alameda Police and Fire Retirement System Pension Plans 1079 and 1082, and the Alameda Reuse and Redevelopment Authority all of which are controlled by and dependent on the City. While these are separate legal entities, their financial activities are integral to those of the City. Their financial activities have been aggregated and merged (termed "blending") with those of the primary government of the City in the accompanying financial statements.

BLENDED COMPONENT UNITS

The Community Improvement Commission of the City of Alameda was established to assist in the clearance and rehabilitation of City areas determined to be in a declining condition. The Commission has the same governing board as the City, all accounting and administrative functions are performed by City staff and the Commission receives advances from the City to finance operations. The financial activities of the Commission have been included in the West End Community Improvement Project Area, Business and Waterfront Improvement Project Area, Alameda Point Improvement Project Area Special Revenue Funds, and Community Improvement Commission Subordinate Tax Allocation Bonds, Community Improvement Commission 2003 Tax Allocation Bonds BWIP, and Community Improvement Commission 2003 Tax Allocation Bonds Debt Service Funds.

The Alameda Public Financing Authority is a separate government entity whose purpose is to assist with the financing or refinancing of certain public capital facilities within the City. The Authority has the power to purchase bonds issued by any local agency at public or negotiated sale and may sell such bonds to public or private purchasers at public or negotiated sale. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the Community Improvement Commission Subordinate Tax Allocation Bonds, and Community Facility District Special Tax Bonds Debt Service Funds.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Alameda Reuse and Redevelopment Authority (ARRA) is a separate government entity whose purpose is to assure the effective transition of the Alameda Naval Air Station from federal ownership to local ownership. The ARRA is responsible for the development of an Interim Reuse Strategy, taking title to base lands, and implementation of the Community Reuse Plan. The ARRA is recognized by the Department of Defense as the responsible entity for submitting and completing the Community Reuse Plan for the 1997 decommissioning of the Naval Air Station. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the Alameda Reuse and Redevelopment Authority Special Revenue, Debt Service and Capital Projects Funds.

DISCRETELY PRESENTED COMPONENT UNITS

The two component units below are legally separate from the City. However, City Council appoints the members of their governing boards, approves their budgets and, in the case of the Housing Authority of the City of Alameda, provides financial assistance.

The Housing Authority of the City of Alameda, California was established to provide housing for the City's low-and-moderate-income residents. The financial activities of the Authority have been included discretely in the Housing Authority Component Unit columns of the Statement of Net Assets and Statement of Activities.

Alameda Power and Telecom (Alameda P&T), was established to provide electricity to the City of Alameda. The Charter was amended in 1998 to allow provision of telecommunications services as well. The financial activities of the Alameda P&T are discretely included in the Alameda P&T Component Unit columns of the Statement of Net Assets and Statement of Activities.

Component unit financial statements for the Housing Authority may be obtained from the Housing Authority of Alameda, 701 Atlantic Avenue, Alameda, CA 94501. Component unit financial statements for the Alameda P&T may be obtained from the City of Alameda Power & Telecom, 2000 Grand Street, Alameda, CA 94501. Component unit financial statements for all other component units may be obtained from the City of Alameda, Finance Department, 2263 Santa Clara, Alameda, CA 94501.

B. Basis of Presentation

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

These Standards require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Assets and the Statement of Activities display information about the primary government, the City and its blended component units. These statements include the financial activities of the overall City government, except for fiduciary activities.

Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category—*governmental*, *proprietary*, and *fiduciary*—are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. *Operating* revenues, such as charges for services, and expenses, such as contractual services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as investment earnings, and expenses, such as interest expenses, result from nonexchange transactions or ancillary activities.

C. Major Funds

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. Major governmental and business-type funds are identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

GENERAL FUND - The General Fund is used for all general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The general fund accounts for all financial resources of a governmental unit which are not accounted for in another fund.

WEST END COMMUNITY IMPROVEMENT PROJECT AREA SPECIAL REVENUE FUND - This fund accounts for the tax increment proceeds and associated redevelopment project costs for the West End Community Improvement Project.

BUSINESS AND WATERFRONT IMPROVEMENT PROJECT AREA SPECIAL REVENUE FUND - This fund accounts for the tax increment proceeds and associated redevelopment project costs for the Business and Waterfront Improvement Project.

ALAMEDA POINT COMMUNITY IMPROVEMENT PROJECT AREA SPECIAL REVENUE FUND - This fund accounts for the tax increment proceeds and associated redevelopment project costs for the proposed Alameda Point Improvement Project.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FISC LEASE SPECIAL REVENUE FUND – This Fund accounts for revenue from the Fleet Industrial Supply Center (FISC) lease and related capital improvement expenditures.

ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY SPECIAL REVENUE FUND - This fund accounts for the lease and rental activities, as well as the general operations associated with the reuse of the Alameda Naval Base.

HOME REPAYMENT SPECIAL REVENUE FUND - This fund accounts for County disbursed HOME funds for HOME eligible activities in the City.

THEATER/PARKING STRUCTURE PROJECT SPECIAL REVENUE FUND – This fund accounts for resources and expenditures for the reconstruction of the Historic Alameda Theater and the construction of the multi-story Civic Center Garage.

CAPITAL IMPROVEMENT PROJECTS FUND - This fund accounts for monies for major capital improvement projects not provided for in one of the other capital projects funds.

The City reported all its enterprise funds as major funds in the accompanying financial statements:

FERRY SERVICES - This fund accounts for all financial transactions relating to the City's ferry services including but not limited to the contractual payments to the operators and ferry vessel acquisition and maintenance.

GOLF COURSE - The City operates two 18-hole and one 9-hole municipal golf courses. This fund accounts for all financial transactions relating to these golf facilities, including but not limited to operations and maintenance.

SEWER SERVICES - The City operates its own sewer system and this fund accounts for all financial transactions relating to this municipal activity including, but not limited to operations, maintenance, financing and related debt service, billing and collection.

The City also reports the following fund types:

Internal Service Funds - The funds account for central stores, central garage, technology services, workers' compensation insurance and claims, risk management insurance and claims, unemployment insurance and post-employment benefits, all of which are provided to other departments on a cost-reimbursement basis.

Fiduciary Funds - Pension Trust Funds and Agency Funds are used to account for assets held by the City as an agent for the Police and Fire Pension Plans, certain assessment districts in the City, the Waste Management Joint Refuse Rate Review Committee, and the Mastic Senior Center to provide services and facilities which enhance the quality of lives of senior citizens.. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

D. Basis of Accounting

The government-wide and proprietary financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are generally collected within forty-five days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on governmental long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are taxes, special assessments, intergovernmental revenues, use of money and property revenue, charges for services, fines and penalties, and license and permit revenues. Sales taxes collected and held by the State at year-end on behalf of the City are also recognized as revenue.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The City may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net assets may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

All proprietary and similar trust funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred, except for revenues from electricity and sewer customers, which are recognized based on cycle billings. Revenues for services provided but not billed at the end of a fiscal period are not material and are not accrued.

The City follows those Financial Accounting Standard Board Statements issued on or before November 30, 1989 unless they conflict with Governmental Accounting Standards Board Statements.

E. *Budgets and Budgetary Accounting*

The City adopts a budget biennially for all funds. This budget is effective July 1 for the ensuing fiscal year. From the effective date of the budget, which is adopted by the City Council, and controlled at the department level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by motion during the fiscal year. The City Manager is authorized to transfer budgeted amounts between departments and line items within any fund. However, any revisions which alter the total expenditures of any fund must be approved by the City Council. Transfers between funds must be approved by the City Council. All appropriations lapse at year end. Supplemental changes in appropriations were adopted by City Council and have been included in the budget versus actual statements.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Annual budgets are adopted on a basis consistent with generally accepted accounting principles except for Capital Project Funds which budget on a project length basis and therefore are not comparable on an annual basis.

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of the formal budgetary process. Encumbrances outstanding at year-end lapse and must be reappropriated as part of the following year budget.

F. *Materials, Parts and Supplies*

Materials, parts and supplies are held for consumption and are valued at average cost. Enterprise fund supplies consist of materials and supplies for the golf shop which are held for resale to the public. General fund supplies are recorded as expenditure at the time individual supply items are purchased.

G. *Deferred Compensation Plans*

City employees may defer a portion of their compensation under four separate, optional City sponsored deferred compensation plans created in accordance with Internal Revenue Code Section 457. Under these Plans, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plans.

The City has a Deferred Compensation Plan administration agreement with ICMA, PERS, Nationwide Retirement Solutions, Inc., and ITT Hartford Life Insurance Companies to provide for the administration and management of employees deferred compensation plan assets. These agreements incorporate changes in the laws and IRS regulations governing deferred compensation plan assets, which require plan assets to be held for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements.

H. *Post Employment Benefits Other than Pensions*

GASB Statement No. 45 (GASB 45") of the Governmental Accounting Standards Board, *Accounting by Employers for Other Postemployment Benefits* ("OPEB"), requires state and local governments to account for and report their costs associated with post-employment healthcare benefits and other non-pension benefits. GASB 45 generally requires that employers account for and report the annual cost of the OPEBs and the outstanding obligations and commitments related to OPEBs in essentially the same manner as they currently do for pensions. Under previous rules, OPEBs generally were administered on a pay-as-you-go basis and were not reported as a liability on governmental financial statements. Only current payments to exiting retirees were recorded as an expense.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB 45 requires that state and local governments adopt actuarial methodologies to determine annual OPEB costs. Annual OPEB costs for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due. GASB 45 does not require that the unfunded liabilities actually be funded, only that employers account for unfunded accrued liability and compliance in meeting the Annual Required Contribution (the sum of the present value of future benefits being earned by current employees plus amortization of benefits already earned by current and former employees but not yet provided for). Actuarial valuations will be required every two years. The City is aware of and is actively working to assess the accounting implications of GASB Statement No 45, if any, which will be applicable to its financial statements beginning in Fiscal Year 2008-09. The City expects to be in compliance with the reporting requirements of GASB 45 by such date.

As of January 1, 2005, the date of the latest actuarial valuation, there were 247 retirees and 685 active employees. The present value of all expected future benefits based on certain actuarial assumptions (a measure of the total liability or obligation) was \$108,720,000. The Actuarial Accrued Liability or obligation for benefits earned through the valuation date was \$70,012,000. The Annual Required Contribution, the value of benefits being earned during a year plus the amortized unfunded liability, was \$6,675,000. The City of Alameda funds this program on a pay-as-you-go basis. During the year ended June 30, 2007, benefits totaling \$1,510,899 were paid.

I. *Compensated Absences*

The liability for compensated absences includes the vested portions of vacation, sick leave and compensated time off. For all governmental funds, a liability of these amounts is reported only if they have matured, for example, as a result of employee resignations and retirements. The remaining portion is recorded as a liability in the Statement of Net Assets. Proprietary funds' liability for compensated absences is recorded in each proprietary fund. The liability for compensated absences is determined annually.

Compensated absences activity for the year ended June 30, 2007 is as follows:

| | Primary Government | | | Component Units | | Total |
|-------------------|----------------------------|-----------------------------|---------------------|----------------------|----------------------------|---------------------|
| | Governmental Activities | Business-Type Activities | Subtotal | Housing Authority | Alameda Power & Telecom | |
| Beginning Balance | \$6,871,894 | \$173,689 | \$7,045,583 | \$139,564 | \$530,715 | \$7,715,862 |
| Additions | 6,124,212 | 228,623 | 6,352,835 | 71,136 | 272,326 | 6,696,297 |
| Payments | (2,945,322) | (148,673) | (3,093,995) | | (174,920) | (3,268,915) |
| Ending Balance | <u>\$10,050,784</u> | <u>\$253,639</u> | <u>\$10,304,423</u> | <u>\$210,700</u> | <u>\$628,121</u> | <u>\$11,143,244</u> |
| Current Portion | <u>\$2,945,322</u> | <u>\$148,673</u> | <u>\$3,093,995</u> | <u>\$133,403</u> | <u>\$628,121</u> | <u>\$3,855,519</u> |

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Property Tax

Alameda County assesses properties and bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year. Property tax revenues are recognized by the City in the fiscal year they are assessed, provided that they become available as defined above.

Secured property tax is due in two installments, on November 1 and March 1, and becomes a lien on those dates. It becomes delinquent after December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31. The term “unsecured” refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed.

Property taxes levied are recorded as revenue and receivables in the fiscal year of levy, provided that they are collected within the fiscal year or within forty five days of year-end.

K. Purchased Power Balancing Account

The Purchased Power Balancing Account is used by Alameda P&T to help stabilize rates over the short term. Specifically, the balancing account accumulates differences between the actual cost of purchased power and the revenues designated for recovery of such costs. Deferred amounts are refunded to or recovered from customers through authorized rate adjustments. The effect of using the balancing account is that unanticipated changes in sales levels and purchased power costs do not immediately affect Alameda P&T’s rate payers because they are included in operating expenses as they are matched by revenues.

L. Transfer from Alameda P&T

The City Charter provides that Alameda P&T transfer to the City’s General Fund certain excess earnings as defined in the Charter. During fiscal year 2007, there were no excess earnings to be transferred. However, the Public Utilities Board by resolution has directed that \$2,500,000 be contributed to the City’s General Fund. In accordance with these provisions, Alameda P&T contributed \$2,500,000 to the City’s General Fund during the year ended June 30, 2007.

M. New Funds

During fiscal year 2007, the City established the following funds:

| Fund | Purpose |
|---|---|
| Theatre/Parking Structure Project Special Revenue Fund | This fund accounts for resources and expenditures for the reconstruction of the Historic Alameda Theater and the construction of the multi-story Civic Center Garage. |
| Historical Advisory Board Special Revenue Fund | This fund accounts for all fines, fees or other monies arising out of the administration of the City Historical Advisory Board and their expenditures. |
| HUD 108 Debt Service Fund | This fund accounts for debt service for HUD 108 loan for Parking Garage Project. |
| Mastick Senior Center Agency Fund | This fund accounts for asset held for Mastic Senior Center Advisory Board to provide services and facilities which enhance the quality of life of senior citizens |

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 2 - CASH AND INVESTMENTS

The City's dependence on property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year. The City pools cash from all sources and all funds except Cash with Fiscal Agents, the Alameda P&T and the Housing Authority so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time.

Investment income is allocated among funds on the basis of average month-end cash and investment balances in these funds. Investments are carried at fair value.

A. Policies

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law, this collateral is held in a separate investment pool by another institution in the City's name and places the City ahead of general creditors of the institution.

The City and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to increase security, the City employs the Trust Department of a bank as the custodian of certain City managed investments, regardless of their form.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

Cash and cash equivalents are considered to be liquid assets for purposes of measuring cash flows. Restricted cash and investments are not included for cash flow purposes.

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or agency agreements. Cash and investments as of June 30, 2007 are as follows:

| | |
|--|----------------------|
| Cash and investments available for operations: | |
| City | \$97,235,440 |
| Housing Authority | 11,020,159 |
| Alameda Power & Telecom | 27,658,729 |
| Restricted cash and investments: | |
| City | 25,961,039 |
| Housing Authority | 567,969 |
| Alameda Power & Telecom | 19,671,304 |
| Total cash and investments of primary government and component units | |
| | 182,114,640 |
| Restricted cash and investments in Fiduciary Funds (separate statement) | |
| | 51,366,818 |
| Total cash and investments | <u>\$233,481,458</u> |

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 2 - CASH AND INVESTMENTS (Continued)

Cash and investments as of June 30, 2007 consist of the following:

| | |
|--------------------------------------|----------------------|
| Cash on hand | \$14,360 |
| Deposits with financial institutions | 8,179,515 |
| Investments | 225,287,583 |
| Total cash and investments | <u>\$233,481,458</u> |

C. Investments Authorized by the California Government Code and the City's Investment Policy

The City's investment policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City; and approved percentages and maturities are not exceeded. The table also identifies certain provisions of the California Government Code, or the City's Investment Policy where the City's Investment Policy is more restrictive, that addresses interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

The City's investment policy and the California Government Code allow the City to invest in the following:

| Authorized Investment Type | Maximum Maturity | Minimum Credit Quality | Maximum in Portfolio | Maximum Investment In One Issuer |
|---|------------------|------------------------|--------------------------|----------------------------------|
| Repurchase Agreements | 270 Days | N/A | 20% | No Limit |
| California Local Agency Investment Fund (LAIF) | Upon Demand | N/A | \$40,000,000 per account | \$40,000,000 per account |
| U.S. Treasury Bonds, Notes and Bills | 5 Years | N/A | No Limit | No Limit |
| U.S. Agency and U.S. Government Sponsored Enterprise Securities | 5 Years | N/A | 75% | 25% in each U.S. Agency |
| Bankers' Acceptances | 180 Days | N/A | 30% | 30% |
| Commercial Paper | 270 Days | A1, P1 | 25% | No Limit |
| Negotiable Certificates of Deposit | 5 Years | AA | 30% | No Limit |
| Time Certificates of Deposit | 5 Years | N/A | 30% | No Limit |
| Medium-Term Corporate Notes | 5 Years | A | 30% | No Limit |
| Money Market Mutual Funds | N/A | AAA | 20% | No Limit |
| County Agency Investment Fund | Upon Demand | N/A | 15% | No Limit |
| California Asset Management Program (CAMP) | Upon Demand | N/A | No Limit | No Limit |

The Housing Authority's investment policy and the California Government Code allow the Authority to invest in the following, provided the credit ratings of the issuers are acceptable to the Housing Authority; and approved percentages and maturities are not exceeded. The table also identifies certain provisions of the California Government Code, or the Housing Authority's Investment Policy where the Housing Authority's Investment Policy is more restrictive, that addresses interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the Housing Authority, rather than the general provisions of the California Government Code or the Housing Authority's investment policy.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 2 - CASH AND INVESTMENTS (Continued)

The Housing Authority's investment policy and the California Government Code allow the Housing Authority to invest in the following:

| Authorized Investment Type | Maximum Maturity | Minimum Credit Quality | Maximum in Portfolio | Maximum Investment In One Issuer |
|--|---------------------|------------------------------|----------------------------|--|
| Repurchase Agreements | N/A | N/A | No Limit | No Limit |
| California Local Agency Investment Fund (LAIF) | Upon Demand | N/A | No Limit | No Limit |
| U. S. Treasury Bonds, Notes and Bills | 5 Years | N/A | No Limit | No Limit |
| U.S. Agency and U.S. Government Sponsored Enterprise Securities | 5 Years | N/A | No Limit | No Limit |
| Bankers Acceptances | 270 days | N/A | 40% | 30% |
| Negotiable Certificates of Deposit | 5 Years | AA | 30% | No Limit |
| Time Certificates of Deposit | 5 Years | N/A | 30% | No Limit |
| Medium Term Corporate Notes | 5 Years | N/A | 30% | No Limit |
| Money Market Mutual Funds | N/A | AAA | 20% | No Limit |
| County Agency Investment Fund | Upon Demand | N/A | 30% | No Limit |
| Reverse Repurchase Agreements | N/A | N/A | No Limit | No Limit |

Alameda P&T's investment policy and the California Government Code allow Alameda P&T to invest in the following, provided the credit ratings of the issuers are acceptable to Alameda P&T; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or Alameda P&T's investment policy where Alameda P&T's Investment Policy is more restrictive, that addresses interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of Alameda P&T, rather than the general provisions of the California Government Code or Alameda P&T's investment policy.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 2 - CASH AND INVESTMENTS (Continued)

Alameda P&T's investment policy and the California Government Code allow Alameda P&T to invest in the following:

| <u>Authorized Investment Type</u> | <u>Maximum Maturity</u> | <u>Minimum Credit Quality</u> | <u>Maximum Percentage of Portfolio</u> | <u>Maximum Investment In One Issuer</u> |
|---|-------------------------|-------------------------------|--|---|
| Local Agency Municipal Bonds | 5 years | N/A | No Limit | No Limit |
| U.S. Treasury Obligations | 5 years | N/A | No Limit | No Limit |
| State of California Obligations | 5 years | N/A | No Limit | No Limit |
| CA Local Agency Obligations | 5 years | N/A | No Limit | No Limit |
| U.S. Agency Securities (A) | 5 years | N/A | No Limit | No Limit |
| Bankers Acceptances | 180 days | N/A | 40% | 30% |
| Commercial Paper | 270 days | A1 | 25% | 10% |
| Negotiable Certificates of Deposit | 5 years | N/A | 30% | No Limit |
| Repurchase Agreements | 1 year | N/A | No Limit | No Limit |
| Reverse Repurchase Agreements (requires City Council approval) | 92 days | N/A | 20 % of base value | No Limit |
| | | Top three ratings | | |
| Medium Term Corporate Notes | 5 years | categories | 30% | No Limit |
| | | Top rating category | | |
| Mutual Funds | N/A | category | 20% | 10% |
| | | Top rating category | | |
| Money Market Mutual Funds | N/A | category | 20% | 10% |
| Collateralized Bank Deposits | N/A | N/A | No Limit | No Limit |
| | | Top rating category | | |
| Mortgage Pass-Through Securities | 5 Years | category | 20% | No Limit |
| County Pooled Investment Funds | N/A | N/A | No Limit | No Limit |
| California Local Agency Investment Fund | N/A | N/A | \$40,000,000 per account | \$40,000,000 per account |

(A) Securities issued by agencies of the federal government such as the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), and the Federal Loan Mortgage Corporation (FHLMC)

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 2 - CASH AND INVESTMENTS (Continued)

D. Investments Authorized by Debt Agreements

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged as reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City ordinance, bond indentures or State statute. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

| <u>Authorized Investment Type</u> | <u>Maximum Maturity</u> | <u>Minimum Credit Quality</u> | <u>Maximum in Portfolio</u> | <u>Maximum Investment In One Issuer</u> |
|---|-------------------------|----------------------------------|-----------------------------|---|
| Repurchase Agreements | 30 days | Top Four Rating Categories | No Limit | No Limit |
| U.S. Treasury Bonds, Notes and Bills | No Limit | N/A | No Limit | No Limit |
| U.S. Agency and U.S. Government Sponsored Enterprise Securities | No Limit | No Limit | No Limit | No Limit |
| State Obligations | No Limit | Not lower than their bond rating | No Limit | No Limit |
| Commercial Paper | No Limit | A-1+ | No Limit | No Limit |
| Negotiable Certificates of Deposit | No Limit | N/A | No Limit | No Limit |
| Time Certificates of Deposit | No Limit | N/A | No Limit | No Limit |
| Corporate Notes and Bonds | No Limit | Not lower than their bond rating | No Limit | No Limit |
| Guaranteed Investment Contracts | No Limit | Not lower than their bond rating | No Limit | No Limit |
| Shares of Beneficial Interest | No Limit | Top Rating Category | No Limit | No Limit |
| Money Market Mutual Funds | No Limit | AAm | 20% | No Limit |
| Bankers' Acceptances | 365 days | A-1+ | 30% | 30% |
| Municipal Bonds* | No Limit | AAA | No Limit | No Limit |
| California Local Agency Investment Fund (LAIF) | Upon Demand | N/A | \$40,000,000 per account | \$40,000,000 per account |
| Investment Agreements | No Limit | N/A | No Limit | No Limit |

* Comprises only debt issued by special assessment districts in the City of Alameda

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 2 - CASH AND INVESTMENTS (Continued)

The Housing Authority must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged as reserves to be used if the Housing Authority fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with the Housing Authority's ordinance, bond indentures or State statute. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

| Authorized Investment Type | Maximum Maturity | Minimum Credit Quality | Maximum Percentage of Portfolio | Maximum Investment In One Issuer |
|--|---------------------|------------------------------|---------------------------------------|--|
| <u>For U.S. Department Housing and Urban Development Funds</u> | | | | |
| Repurchase Agreements | N/A | N/A | No Limit | No Limit |
| U.S. Government Obligations and Agencies | N/A | N/A | No Limit | No Limit |
| State of California Obligations | N/A | N/A | No Limit | No Limit |
| Commercial Paper | N/A | N/A | No Limit | No Limit |
| Bankers Acceptances | 270 days | N/A | 40% | 30% |
| Certificates of Deposit | N/A | N/A | 30% | No Limit |
| Time Deposits | N/A | N/A | No Limit | No Limit |
| Qualified Financial Institution General Obligations | Upon Demand | AAA | No Limit | No Limit |
| Money Market Mutual Funds | N/A | AAA | 20% | No Limit |
| U.S. Treasury Bills, Notes and Bonds | N/A | N/A | No Limit | No Limit |
| <u>For Non U.S. Department Housing and Urban Development Funds</u> | | | | |
| Prime Commercial Paper | 180 days | Highest Ranking | 15% | 30% |
| Medium Term Notes | 5 years | A | 30% | No Limit |
| City of Alameda Bonds | N/A | N/A | No Limit | No Limit |
| State of California Obligations | N/A | N/A | No Limit | No Limit |
| U.S. Government Obligations and Agencies | N/A | N/A | No Limit | No Limit |
| Bankers Acceptances | 270 days | N/A | 40% | 30% |
| Certificates of Deposit | N/A | N/A | 30% | No Limit |
| Repurchase Agreements | N/A | N/A | No Limit | No Limit |
| Money Market Mutual Funds | N/A | N/A | No Limit | No Limit |
| Trust Indentures | N/A | N/A | No Limit | No Limit |
| Mortgage and Equipment Lease Obligations | 5 years | AA | 30% | No Limit |

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 2 - CASH AND INVESTMENTS (Continued)

Alameda P&T must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged as reserves to be used if Alameda P&T fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with Alameda P&T's ordinance, bond indentures or State statute. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

| Authorized Investment Type | Maximum Maturity | Minimum Credit Quality | Maximum Percentage Allowed | Maximum Investment In One |
|--|---------------------|------------------------------|----------------------------------|---------------------------------|
| U.S. Treasury Obligations | N/A | N/A | No Limit | No Limit |
| State Obligations | N/A | N/A | No Limit | No Limit |
| U.S. Agency Securities (A) | N/A | N/A | No Limit | No Limit |
| Commercial Paper | 180 days | A | 10% | No Limit |
| Certificates of Deposit | N/A | A-1 | No Limit | No Limit |
| Bankers Acceptances | N/A | A-1 | No Limit | No Limit |
| Money Market Mutual Funds | N/A | AA | No Limit | No Limit |
| Repurchase Agreements | 30 days | A | No Limit | No Limit |
| California Local Agency Investment Fund | N/A | N/A | \$40,000,000 per | \$40,000,000 per account |

(A) Securities issued by agencies of the federal government such as the Federal Farm Credit Administration, the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC)

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 2 - CASH AND INVESTMENTS (Continued)

E. Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity at June 30, 2007:

| Investment Type | 12 Months or less | One to Five Years | Six to Ten Years | More than Ten Years | Total |
|---|----------------------|----------------------|---------------------|------------------------|----------------------|
| U.S. Government-Sponsored | | | | | |
| Enterprise Agencies | | | | | |
| Non-callable | \$3,493,714 | \$35,891,266 | | | \$39,384,980 |
| Callable | 1,656,369 | | | | 1,656,369 |
| Corporate Securities | | | | | |
| Non-callable | 3,140,167 | 8,710,370 | | | 11,850,537 |
| Callable | 1,611,578 | | | | 1,611,578 |
| Guaranteed Investment Contracts | | 2,183,580 | \$8,911,411 | \$6,952,946 | 18,047,937 |
| US Treasury Notes and Bills | 1,673,429 | 12,068,531 | | | 13,741,960 |
| Money Market Mutual Funds | 5,317,299 | | | | 5,317,299 |
| California Local Agency Investment Fund | 36,723,675 | | | | 36,723,675 |
| California Asset Management Program | 3,836,529 | | | | 3,836,529 |
| Letter of Credit | 245,640 | | | | 245,640 |
| Certificate of Deposits | 508,287 | 1,016,556 | | | 1,524,843 |
| Municipal Bonds | 3,870,000 | 24,220,000 | 6,385,000 | | 34,475,000 |
| Total Investments | <u>\$62,076,687</u> | <u>\$84,090,303</u> | <u>\$15,296,411</u> | <u>\$6,952,946</u> | <u>168,416,347</u> |
| Cash deposits with banks and on hand | | | | | <u>6,146,950</u> |
| Total Cash and Investments | | | | | <u>\$174,563,297</u> |

Information about the sensitivity of the fair values of Housing Authority's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the Housing Authority's investments by maturity:

| | 12 Months or less |
|------------------------------|----------------------|
| <i>Investments :</i> | |
| Certificates of Deposit | \$746,335 |
| US Treasury Notes and Bills | 655,458 |
| Local Agency Investment Fund | <u>8,883,472</u> |
| Total Investments | <u>\$10,285,265</u> |

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 2 - CASH AND INVESTMENTS (Continued)

Information about the sensitivity of the fair values of Alameda P&T's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the Alameda P&T's investments by maturity:

| | <u>12 Months or less</u> |
|---|------------------------------|
| <i>Investments :</i> | |
| U.S. Bank Cash equivalents, mutual funds | |
| of U.S. Securities | \$3,915,665 |
| Investment Agreement | 11,700,191 |
| U.S. Treasury Bond Stripped Principal Payment | 976,414 |
| U.S. Treasury Stripped Interest Payment | 3,079,034 |
| Money Market | 483,697 |
| Local Agency Investment Fund | 18,445,807 |
| Federal Agency Issue: | |
| Federal Home Loan Bank | 3,447,348 |
| Certificate of Deposits | 4,537,815 |
| Total Investments | <u>46,585,971</u> |
| <i>Cash with Banks and Petty Cash</i> | <u>744,062</u> |
| Total Cash and Investments | <u><u>\$47,330,033</u></u> |

The Alameda Public Financing Authority repurchased several outstanding Special Assessment Debt issues and holds them as investments. These investments were specifically authorized by City Council. At June 30, 2007, these investments comprised the following: \$20,765,000 of Alameda Marina Village 89-1 Assessment Bonds; and \$13,710,000 of Harbor Bay Business Assessment District 92-1 Revenue Bonds Series 1998. These investments are reported with Municipal Bonds in the table above.

The City, Alameda P&T and the Housing Authority are voluntary participants in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City, Alameda P&T and the Housing Authority report their investments in LAIF at the fair value amounts provided by LAIF, which is the same as the value of the pool share. At June 30, 2007 the fair value approximated is the City, Alameda P&T and the Housing Authority's cost. The balance available for withdrawal on demand is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2007, these investments have an average maturity of 176 days.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 2 - CASH AND INVESTMENTS (Continued)

F. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2007 for each City's investment type as provided by Standard and Poor's except as noted:

| Investment Type | AAA | AAAm | AAAm- | AA | AA+ | AA- | A+ | A-1+ | Total |
|---|---------------------|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|------------------|----------------------|
| U.S. Government-Sponsored | | | | | | | | | |
| Enterprise Agencies | | | | | | | | | |
| Non-callable | \$39,006,832 | | | | | | | \$378,148 | \$39,384,980 |
| Callable | 1,656,369 | | | | | | | | 1,656,369 |
| Corporate Securities | | | | | | | | | |
| Non-callable | 2,237,118 | | | \$2,385,156 | \$592,933 | \$5,254,077 | \$1,381,253 | | 11,850,537 |
| Callable | | | | | 1,611,578 | | | | 1,611,578 |
| Money Market Mutual Funds | 5,060,915 | \$53,849 | \$202,535 | | | | | | 5,317,299 |
| California Asset Management Program | | 3,836,529 | | | | | | | 3,836,529 |
| Totals | <u>\$47,961,234</u> | <u>\$3,890,378</u> | <u>\$202,535</u> | <u>\$2,385,156</u> | <u>\$2,204,511</u> | <u>\$5,254,077</u> | <u>\$1,381,253</u> | <u>\$378,148</u> | <u>63,657,292</u> |
| Not rated: | | | | | | | | | |
| California Local Agency Investment Fund | | | | | | | | | 36,723,675 |
| Letter of Credit | | | | | | | | | 245,640 |
| Municipal Bonds | | | | | | | | | 34,475,000 |
| Certificate of Deposits | | | | | | | | | 1,524,843 |
| Guaranteed Investment Contracts | | | | | | | | | 18,047,937 |
| Total not rated | | | | | | | | | <u>91,017,095</u> |
| Exempt: | | | | | | | | | |
| US Treasury Notes and Bills | | | | | | | | | 13,741,960 |
| Total Investments | | | | | | | | | <u>\$168,416,347</u> |

Presented below is the actual rating as of June 30, 2007 for each Housing Authority investment type:

| Investment Type | |
|---|---------------------|
| Not rated: | |
| Certificates of Deposit | \$746,335 |
| California Local Agency Investment Fund | 8,883,472 |
| Exempt: | |
| US Treasury Notes and Bills | <u>655,458</u> |
| Total Investments | <u>\$10,285,265</u> |

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 2 - CASH AND INVESTMENTS (Continued)

Presented below is the actual rating as of June 30, 2007 for each Alameda P&T investment type as provided by Standard and Poor's:

| Investments with Fiscal Agent | |
|---|---------------------|
| <i>AAA:</i> | |
| U.S. Bank Cash equivalents, mutual funds of U.S. Securities | \$3,915,665 |
| Federal Agency Issue: | |
| Federal Home Loan Bank | 3,447,348 |
| <i>A1+:</i> | |
| Certificate of Deposits | 3,109,975 |
| <i>Not rated:</i> | |
| Certificate of Deposits | 1,427,840 |
| Money Market | 483,697 |
| Investment Agreement | 11,700,191 |
| Local Agency Investment Fund | 18,445,807 |
| <i>Exempt:</i> | |
| U.S. Treasury Bond Stripped Principal Payment | 976,414 |
| U.S. Treasury Stripped Interest Payment | 3,079,034 |
| Total Investments | <u>\$46,585,971</u> |

G. Concentration of Credit Risk

The City's investment policy regarding the amount that can be invested in any one issuer is stipulated by the California Government Code. However, the City is required to disclose investments that represent a concentration of five percent or more of investments in any one issuer, held by individual City Funds in the securities of issuers other than U. S. Treasury securities, mutual funds and external investment pools. At June 30, 2007, those investments consisted of (dollars in thousands):

| Reporting Unit | Issuer | Investment Type | Reported Amount |
|--|---|---|-----------------|
| Entity-wide: | | | |
| Government Activities | Federal Home Loan Mortgage Corporation | U.S. Government-Sponsored Enterprise Agencies | \$12,910,199 |
| | Federal National Mortgage Association | U.S. Government-Sponsored Enterprise Agencies | 13,596,073 |
| | Federal Home Loan Bank | U.S. Government-Sponsored Enterprise Agencies | 10,206,499 |
| | AIG Matched Funding Corporation | Guaranteed Investment Contract | 9,364,569 |
| | Special Assessment Districts in the City of Alameda | Municipal Bonds | 34,475,000 |
| Major Fund: | | | |
| General Fund | Federal Home Loan Mortgage Corporation | U.S. Government-Sponsored Enterprise Agencies | 12,910,199 |
| General Fund | Federal National Mortgage Association | U.S. Government-Sponsored Enterprise Agencies | 13,191,526 |
| General Fund | Federal Home Loan Bank | U.S. Government-Sponsored Enterprise Agencies | 10,206,499 |
| West End Community Improvement Project Area Special Revenue Fund | AIG Matched Funding Corporation | Guaranteed Investment Contract | 4,505,342 |
| Nonmajor Governmental Funds | AIG Matched Funding Corporation | Guaranteed Investment Contract | 3,230,955 |
| Agency Funds | Special Assessment Districts in the City of Alameda | Municipal Bonds | 34,475,000 |
| Agency Funds | CDC Funding | Guaranteed Investment Contract | 3,519,282 |

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 2 - CASH AND INVESTMENTS (Continued)

H. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City's investments include Mortgage Backed Securities with a fair value at June 30, 2007 of \$1,772,842 that are sensitive to interest rate fluctuations, to a greater degree than already indicated in the information provided above. These securities are subject to early repayment in a period of declining interest rates, which could reduce expected cash flows. The fair value of these investments reflects this potential impact.

The City's investments include a Federal National Mortgage Association investment of \$1,656,369 with a maturity of February 17, 2009 and a Corporate Note investment of \$1,611,578 with a maturity of February 6, 2009. The investments has embedded call feature, and is callable November 9, 2007 and August 6, 2007, respectively.

Alameda P&T's investments include a Federal Home Loan Bank investment of \$749,535 with a maturity date of November 14, 2007. The investment has embedded call feature, and is callable August 14, 2007

NOTE 3 - INTERFUND TRANSACTIONS

A. Current Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2007 the amounts of current interfund balances were as follows:

| <u>Due From Other Funds</u> | <u>Due To Other Funds</u> | |
|-----------------------------|---------------------------------------|------------------|
| General Fund | Ferry Services Enterprise Fund | 69,213 |
| | Non-Major Governmental Funds | 369,785 |
| | Post Employment Internal Service Fund | <u>6,567</u> |
| | Total Due to General Fund | <u>\$445,565</u> |

B. Long-Term Advances

The General Fund advanced \$1,258,995 to the Alameda Point Improvement Project Area Special Revenue Fund. The advance is to be repaid in future years from the proceeds of incremental property taxes as funds become available. The General Fund advance bears interest at 6% for fiscal year 2007.

The General Fund has advanced \$2,400,000 to the FISC Lease Special Revenue Fund to pay for the public safety of former Navy property. The advance bears interest at 6% and is to be repaid in the future from lease revenue as funds become available.

The Golf Course Enterprise Fund advanced the Alameda Reuse and Redevelopment Authority Special Revenue Fund \$300,000 in fiscal year 2001 for pre-development activities in connection with the Golf Course at Alameda Point. This loan is to be repaid upon the development of the golf course.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 3 - INTERFUND TRANSACTIONS (Continued)

C. Transfers Between City Funds

With Council approval, resources may be transferred from one City fund to another. Transfers between City funds during fiscal year 2007 were as follows:

| Fund Receiving Transfers | Fund Making Transfer | Amount Transferred |
|---|---|-----------------------|
| General Fund | West End Community Improvement Project Area Special Revenue Fund | \$240,893 |
| | Business Waterfront Improvement Project Area Special Revenue Fund | 422,127 |
| | Alameda Point Community Improvement Project Area Special Revenue Fund | 2,783 |
| | FISC Lease Revenue Special Revenue Fund | 205,718 |
| | Alameda Reuse and Redevelopment Authority Special Revenue Fund | 2,108,872 |
| | Capital Improvement Projects Capital Project Fund | 206,421 |
| | Golf Course Fund | 285,024 |
| | Sewer Services Fund | 326,895 |
| | Non-Major Governmental Funds | 2,809,411 |
| | Internal Service Funds | 15,100 |
| West End Community Improvement Project Area Special Revenue Fund | FISC Lease Revenue Special Revenue Fund | 1,528 |
| Theater Parking Special Revenue Fund | West End Community Improvement Project Area Special Revenue Fund | 7,156,013 |
| | FISC Lease Revenue Special Revenue Fund | 1,000,000 |
| | Capital Improvement Projects Capital Project Fund | 1,229,994 |
| | Parking Meter Special Revenue Fund | 500,000 |
| | Non-Major Governmental Funds | 8,401,464 |
| FISC Lease Revenue Special Revenue Fund | General Fund | 15,000 |
| | West End Community Improvement Project Area Special Revenue Fund | 1,000,000 |
| | Alameda Point Community Improvement Project Area Special Revenue Fund | 758,325 |
| | Sewer Services Fund | 1,169,105 |
| Alameda Reuse and Redevelopment Authority Special Revenue Fund | FISC Lease Revenue Special Revenue Fund | 28,345 A |
| | Non-Major Governmental Funds | 182,702 A |
| Capital Improvement Projects Capital Project Fund | General Fund | 2,167,270 A |
| | West End Community Improvement Project Area Special Revenue Fund | 38,011 A |
| | Sewer Services Fund | 128,194 A |
| | Non-Major Governmental Funds | 4,012,270 A |
| | Internal Service Funds | 60,801 A |
| Ferry Services Enterprise Fund | Non-Major Governmental Funds | 774,698 C |
| Golf Course Enterprise Fund | General Fund | 32,516 |
| Non-Major Governmental Funds | General Fund | 2,587,083 B |
| | West End Community Improvement Project Area Special Revenue Fund | 2,895,454 B |
| | Business Waterfront Improvement Project Area Special Revenue Fund | 908,536 B |
| | FISC Lease Revenue Special Revenue Fund | 700,874 D |
| | Capital Improvement Projects Capital Project Fund | 33,047 |
| | Golf Course Fund | 134,199 |
| | Sewer Services Fund | 8,120 |
| | Non-Major Governmental Funds | 1,118,959 B |
| Internal Service Funds | West End Community Improvement Project Area Special Revenue Fund | 5,809 |
| | Business Waterfront Improvement Project Area Special Revenue Fund | 3,082 |
| | Alameda Point Community Improvement Project Area Special Revenue Fund | 17 |
| | FISC Lease Revenue Special Revenue Fund | 645 |
| | Golf Course Fund | 38,013 |
| | Sewer Services Fund | 11,204 |
| | Non-Major Governmental Funds | 40,496 |
| | | <u>\$43,765,018</u> |

The reasons for these transfers are set forth below:

- (A) To fund capital projects
- (B) To fund indirect costs and debt services
- (C) To fund ferry services
- (D) To transfer proceeds according to a profit participation agreement

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 3 - INTERFUND TRANSACTIONS (Continued)

D. *Internal Balances*

Internal balances are presented in the Entity-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

E. *Alameda P&T Advances*

As of June 30, 2007, the Electric Services Fund had advanced \$43,616,313 to the Telecommunications Services Fund over the past seven years to finance the expansion and operations of the telecommunication services. The advance bears interest at 4%. Repayment is to commence within 20 years from the recording date of each advance installment and is to be paid in 10 equal annual installments. The first payment is scheduled for fiscal year 2020

NOTE 4 - LOANS RECEIVABLE

A. *Housing Rehabilitation and Affordable Housing Loans*

The City engages in programs designed to encourage construction or improvement in low-to-moderate income housing or other projects. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the City's terms. Some of these loans may be forgiven at the completion of the loan term if all the stipulated conditions are met. Other loans and notes are expected to be repaid in full. The balance of these loans has been offset by deferred revenue, as they are not expected to be repaid during the coming fiscal year. The balance of the loans receivable arising from these programs at June 30, 2007 was \$6,199,672. Included in this balance was \$1,088,600 receivable from the Housing Authority, as discussed in Note 7.

B. *Alameda Development Corporation*

During the year ended June 30, 2000, the Community Improvement Commission entered into an agreement with the Alameda Development Corporation, a non-profit corporation, to loan the corporation funds to be used to develop housing units for persons with very low to low annual incomes. The loan is secured by a deed of trust and bears interest at 5% for 59 years. In February, 2006 the loan was amended and restated to include additional funding and allow forgiveness and reconveyance of the loan as each unit is completed and sold to a qualified household. The balance of this loan has been offset by deferred revenue as it is not expected to be repaid during the coming fiscal year. As of June 30, 2007, the balance of the loan was \$1,740,000.

C. *Affordable Housing Project*

The Commission entered into a Participation Agreement with Resources for Community Development (Developer) to develop fifty-two units of Affordable Rental Housing and ten units of Ownership Housing. Under the terms of the Agreement, the Commission would provide \$3,615,000 of housing funds for construction costs. In addition, the City pledged \$400,000 of HOME funds for a portion of the pre-development cost and developer fees. As of June 30, 2007, the Commission had loaned \$1,000,000 to the Developer.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 4 - LOANS RECEIVABLE (Continued)

D. *Loan to Property Owner*

The City imposed a nuisance abatement lien on certain real property located on Pacific Avenue. The City incurred costs of abatement on the property in the amount of \$120,820. The total amount is due to the City from the property owner and bears interest at a rate of 6% per annum. The property was sold and the loan was repaid in fiscal 2007.

E. *Microenterprise Assistance Program*

The City has engaged in a loan program designed to provide financial and technical assistance to low-and-moderate-income entrepreneurs of Alameda to develop, strengthen and stabilize very small businesses. The loans accrue interest at 2% per year with repayment over ten years. At the City's option, loan payments may be deferred for up to three years. The balance of the loans receivable arising from this program at June 30, 2007 was \$91,935.

F. *Loan to Alameda P&T*

On December 16, 2003 at the request of the Public Utilities Board, the Alameda City Council loaned \$2,200,000 to Alameda P&T for the purpose of the construction of a hybrid fiber-optic/coaxial telecom network. The loan is interest free and is to be repaid on June 1, 2009. As of June 30, 2007 the remaining principal balance was \$2,200,000.

G. *Alameda P&T Loans to the City*

The City entered into a loan agreement with Alameda P&T for the replacement of deteriorated street lights. Through June 30, 2007, Alameda P&T had expended \$627,300 for street light replacement and the City had made payments of \$402,000. Annual installments of \$40,000 are scheduled until the loan is repaid. At June 30, 2007 the outstanding balance was \$225,300.

In April 2003, the City reached an agreement with Alameda P&T to study the best method to replace historic streetlight poles. The original agreement was for a \$70,000 loan to be paid back over ten years. However, on August 17, 2004 the street light system was transferred to Alameda P&T after incurring study related costs of \$36,868. The loan principal was reduced by \$34,089 to reflect only the costs incurred prior to the transfer. The City agreed to pay annual payments ranging from \$8,160 to \$3,116 through July 1, 2009. Annual loan payments include interest at the rate of 2.89%. At June 30, 2007 the outstanding balance was \$11,097.

The City entered into a loan agreement with Alameda P&T for \$79,000 to construct underground streetlights located within Underground Districts #21 and #16 and owned by the City maintained by the City's Public Works department. The loan carries an interest rate of 2% and is to be repaid in annual installments through fiscal year 2009. The City transferred the streetlights to AP&T which reduced the loan to \$54,000 on August 2005. The new loan amount is the cost that the City had spent on the streetlights prior to the transfer. At June 30, 2007 the outstanding balance was \$18,662.

The City entered into a loan agreement with Alameda P&T in April 2005 for \$21,000 to provide the City's Recreation and Parks department's new facility at 2226 Santa Clara Avenue with telecommunications capabilities. The loan is to be repaid over four years with equal installments of \$5,250 and has a zero percent interest rate. The first payment was made on June 1, 2005. At June 30, 2007 the outstanding balance was \$10,500.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 4 - LOANS RECEIVABLE (Continued)

H. *Multiplex Cinema*

As part of a Disposition and Development Agreement as discussed on Note 14C, the Community Improvement Commission has entered into a loan agreement with Alameda Entertainment Associates, L.P. in March 2007 for \$2,800,000 for the renovation of the Historic Alameda Theatre and development of a new multiplex cinema. Repayment of \$1,400,000 of this loan will begin in the seventh operating year for twenty years with equal monthly installments. The remaining \$1,400,000 will be repaid by percentage rental amounts from gross operating revenues as established in the Disposition Developer Agreement. As of June 30, 2007, the balance of the loan was \$2,800,000.

I. *City Manager Loan*

On June 21, 2005, the City Council approved the appointment of the current City Manager and authorized the execution of an Employment Agreement that outlines the terms and conditions of employment, including a Housing Assistance Agreement. The terms of the Agreement may be amended by action of the City Council.

The original Housing Assistance Agreement was structured using an equity share concept. However, this structure made it difficult to coordinate with a traditional loan. On April 18, 2006, the City Council amended the Housing Assistance Agreement restructuring it from an equity share concept to a more traditional loan. Additionally, a Loan Agreement and a Subordinate Deed of Trust were required. The amount of the assistance, \$250,000, did not change with the restructuring. The interest rate is established at one-half percent above the current Local Agency Investment Fund rate in order to protect the General Fund's assets. On July 3, 2006, the Amended and Restated Housing Assistance Agreement was executed, funds transferred and repayment established through payroll withholding. As of June 30, 2007, the balance of the loan was \$246,204.

NOTE 5 – CAPITAL ASSETS

Capital assets, other than infrastructure assets, are defined by the City as assets with an initial, individual cost of more than \$10,000. All capital assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed.

All capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets:

| | |
|------------------------------------|-------------|
| Electric Plant | 30 years |
| Buildings and Improvements | 40-80 years |
| Ferry Boat | 30 years |
| Machinery, Furniture and Equipment | 4-40 years |
| Infrastructure | 15-75 years |

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 5 – CAPITAL ASSETS (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

A. Capital Asset Additions and Retirements

City capital asset activities for the year ended June 30, 2007 is as follows:

| | Balance at June 30, 2006 | Additions | Retirements | Transfers | Balance at June 30, 2007 |
|--|-----------------------------|--------------|---------------|----------------|-----------------------------|
| <i>Governmental activities</i> | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$4,921,331 | | | | \$4,921,331 |
| Construction in progress | 64,090,570 | \$36,506,397 | (\$3,199,235) | (\$37,867,248) | 59,530,484 |
| Total capital assets not being depreciated | 69,011,901 | 36,506,397 | (3,199,235) | (37,867,248) | 64,451,815 |
| Capital assets being depreciated: | | | | | |
| Buildings | 194,169,746 | | | 26,321,533 | 220,491,279 |
| Machinery and equipment | 22,950,327 | 2,288,871 | (130,757) | | 25,108,441 |
| Infrastructure: | | | | | |
| Streets | 71,553,829 | | | 9,702,599 | 81,256,428 |
| Landscape | 19,749,243 | | | 1,265,950 | 21,015,193 |
| Storm drains | 18,199,392 | | | 93,485 | 18,292,877 |
| Portable water | 1,490,959 | | | | 1,490,959 |
| Parks | 4,091,575 | | | 483,681 | 4,575,256 |
| Marina facilities | 24,285,397 | | | | 24,285,397 |
| Total capital assets being depreciated | 356,490,468 | 2,288,871 | (130,757) | 37,867,248 | 396,515,830 |
| Less accumulated depreciation: | | | | | |
| Buildings | (80,526,769) | (2,701,469) | | | (83,228,238) |
| Machinery and equipment | (15,942,974) | (1,117,230) | 130,757 | | (16,929,447) |
| Infrastructure: | | | | | |
| Streets | (45,289,403) | (2,128,706) | | | (47,418,109) |
| Landscape | (12,795,149) | (610,444) | | | (13,405,593) |
| Storm drains | (6,476,084) | (287,540) | | | (6,763,624) |
| Portable water | (1,188,566) | (19,352) | | | (1,207,918) |
| Parks | (1,691,366) | (164,452) | | | (1,855,818) |
| Marina facilities | (17,506,231) | (301,218) | | | (17,807,449) |
| Total accumulated depreciation | (181,416,542) | (7,330,411) | 130,757 | | (188,616,196) |
| Net capital assets being depreciated | 175,073,926 | (5,041,540) | | 37,867,248 | 207,899,634 |
| Governmental activity capital assets, net | \$244,085,827 | \$31,464,857 | (\$3,199,235) | | \$272,351,449 |

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 5 - CAPITAL ASSETS (Continued)

| | Balance at June 30, 2006 | Additions | Retirements | Balance at June 30, 2007 |
|--|-----------------------------|-------------|-------------|-----------------------------|
| <i>Business-type activities</i> | | | | |
| Capital assets, not being depreciated: | | | | |
| Land and improvement | \$176,899 | | | \$176,899 |
| Construction in progress | 42,081 | \$264,338 | | 306,419 |
| Total capital assets not being depreciated | 218,980 | 264,338 | | 483,318 |
| Capital assets, being depreciated: | | | | |
| Buildings | 930,093 | | (\$64,909) | 865,184 |
| Sewer lines | 57,706,916 | 1,332,591 | | 59,039,507 |
| Streets | 188,016 | | | 188,016 |
| Storm drains | 314,356 | | | 314,356 |
| Golf improvements | 4,255,123 | | (97,526) | 4,157,597 |
| Ferry boats | 12,758,250 | | | 12,758,250 |
| Office furniture and equipment | 2,551,213 | 164,007 | (179,658) | 2,535,562 |
| Net capital assets being depreciated | 78,703,967 | 1,496,598 | (342,093) | 79,858,472 |
| Less accumulated depreciation for: | | | | |
| Buildings | (194,111) | (12,206) | 1,423 | (204,894) |
| Sewer lines | (20,277,458) | (925,199) | | (21,202,657) |
| Streets | (117,319) | (4,821) | | (122,140) |
| Storm drains | (54,745) | (4,191) | | (58,936) |
| Golf improvements | (1,549,054) | (157,925) | 11,703 | (1,695,276) |
| Ferry boats | (3,427,771) | (433,749) | | (3,861,520) |
| Office furniture and equipment | (2,161,136) | (207,635) | 178,658 | (2,190,113) |
| Total accumulated depreciation | (27,781,594) | (1,745,726) | 191,784 | (29,335,536) |
| Net capital assets being depreciated | 50,922,373 | (249,128) | (150,309) | 50,522,936 |
| Business-type activity capital assets, net | \$51,141,353 | \$15,210 | (\$150,309) | \$51,006,254 |

B. The Housing Authority's Capital Assets

Housing Authority capital asset activities for the year ended June 30, 2007 is as follows.

| | Balance June 30, 2006 | Additions | Retirements | Balance June 30, 2007 |
|--|--------------------------|-------------|-------------|--------------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$7,746,433 | \$4,640,000 | (\$423,580) | \$11,962,853 |
| Capital assets, being depreciated: | | | | |
| Buildings & Improvements | 30,583,062 | \$953,702 | | 31,536,764 |
| Equipment | 200,988 | | | 200,988 |
| Net capital assets being depreciated | 30,784,050 | 953,702 | | 31,737,752 |
| Less accumulated depreciation: | (12,842,198) | (829,914) | | (13,672,112) |
| Net Capital Assets being depreciated | 17,941,852 | 123,788 | | 18,065,640 |
| Total capital assets, net | \$25,688,285 | \$4,763,788 | (\$423,580) | \$30,028,493 |

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 5 - CAPITAL ASSETS (Continued)

C. Alameda P&T's Capital Assets

Alameda P&T capital asset activities for the year ended June 30, 2007 is as follows:

| | Balance July 1, 2006 | Additions Adjustments | Retirements Adjustments | Transfers | Balance June 30, 2007 |
|--|-------------------------|--------------------------|----------------------------|---------------|--------------------------|
| Capital assets not being depreciated: | | | | | |
| Land and Rights | \$758,676 | | | | \$758,676 |
| Construction Work in Progress | 4,788,904 | \$5,657,483 | | (\$5,987,744) | 4,458,643 |
| Total capital assets not being depreciated | 5,547,580 | 5,657,483 | | (5,987,744) | 5,217,319 |
| Capital assets being depreciated: | | | | | |
| Utility Plant | 105,225,635 | | (\$1,740,709) | 5,812,069 | 109,296,995 |
| Service Center Building | 7,843,584 | | | | 7,843,584 |
| Machinery and Equipment | 8,691,076 | | | 12,945 | 8,704,021 |
| Transportation Equipment | 2,300,566 | | (123,489) | | 2,177,077 |
| Computer Equipment | 2,969,120 | | | 162,730 | 3,131,850 |
| Furniture and Fixtures | 599,845 | | | | 599,845 |
| Total capital assets being depreciated | 127,629,826 | | (1,864,198) | 5,987,744 | 131,753,372 |
| Less accumulated depreciation for: | | | | | |
| Utility Plant | 35,393,475 | 4,578,838 | (464,188) | | 39,508,125 |
| Service Center Building | 2,199,526 | 186,249 | | | 2,385,775 |
| Machinery and Equipment | 4,047,891 | 583,404 | | | 4,631,295 |
| Transportation Equipment | 1,573,627 | 117,675 | (123,489) | | 1,567,813 |
| Computer Equipment | 2,839,022 | 115,534 | | | 2,954,556 |
| Furniture and Fixtures | 308,626 | 24,038 | | | 332,664 |
| Total accumulated depreciation | 46,362,167 | 5,605,738 | (587,677) | | 51,380,228 |
| Total depreciable assets | 81,267,659 | (5,605,738) | (1,276,521) | 5,987,744 | 80,373,144 |
| Business activity capital assets, net | \$86,815,239 | \$51,745 | (\$1,276,521) | | \$85,590,463 |

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 5 - CAPITAL ASSETS (Continued)

D. Capital Asset Contributions

Some capital assets may be acquired using Federal and State grant funds, or they may be contributed by developers or other governments. These contributions are accounted for as revenues at the time the capital assets are contributed.

E. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program are as follows:

Governmental Activities

| | |
|--------------------------------------|--------------------|
| General government | \$243,971 |
| Police | 304,946 |
| Fire | 302,618 |
| Public works | 3,421,093 |
| Development services | 2,225,446 |
| Culture and recreation | 832,337 |
| | <hr/> |
| Total Governmental Activities | \$7,330,411 |

Business-Type Activities

| | |
|---------------------------------------|--------------------|
| Ferry Services | \$433,749 |
| Golf Course | 352,805 |
| Sewer Services | 959,172 |
| | <hr/> |
| Total Business-Type Activities | \$1,745,726 |

Discretely Presented Component Units:

| | |
|--------------------------------------|-------------|
| Housing Authority of City of Alameda | \$829,914 |
| | <hr/> |
| Alameda Power & Telecom | \$5,605,738 |
| | <hr/> |

NOTE 6 – LOAN PAYABLE

On April 4, 2003, the City entered into a loan agreement with a developer for the Bayport Residential Project. Under the agreement, the developer would provide funding up to \$28,800,000 for the redevelopment of the former U.S. Navy East Housing, Fleet Industrial Supply Center Annex (FISCA), and Fleet Industrial Supply Center (FISC). The repayment of the loan is financed by tax increment revenues from the Alameda Landing Project. The City expects to repay this loan in fiscal 2010.

The City's loan payable activities for the year ended June 30, 2007 was as follows:

| | |
|-------------------|------------------|
| Beginning balance | \$2,802,487 |
| Additions | 7,882,647 |
| Retirements | (5,945,937) |
| | <hr/> |
| Ending balance | 4,739,197 |

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 7 – LONG-TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt.

Bond Discounts and Issuance Costs

Bond discounts and issuance costs of long-term debt issues are amortized over the life of the related debt.

The City's long-term debt activities for the year ended June 30, 2007 is as follows:

| | Balance June 30, 2006 | Additions | Retirements | Balance June 30, 2007 | Current Portion |
|--|--------------------------|--------------------|--------------------|--------------------------|--------------------|
| Governmental Activity Debt: | | | | | |
| Certificates of Participation: | | | | | |
| 1996 Police Building | \$1,790,000 | | \$140,000 | \$1,650,000 | \$145,000 |
| 1996 Library/Golf | 3,875,000 | | 155,000 | 3,720,000 | 165,000 |
| 2002 City Hall | 10,295,000 | | 375,000 | 9,920,000 | 385,000 |
| Total Certificates of Participation | 15,960,000 | | 670,000 | 15,290,000 | 695,000 |
| 1992 Revenue Bonds | 1,670,000 | | 115,000 | 1,555,000 | 125,000 |
| 2002 Subordinate Tax Allocation Bonds | 3,860,000 | | 450,000 | 3,410,000 | 525,000 |
| 2003 General Obligation Bonds | 10,300,000 | | 165,000 | 10,135,000 | 175,000 |
| 2003 Tax Allocation Refunding Bonds | 18,535,000 | | 200,000 | 18,335,000 | 430,000 |
| 2003 Tax Allocation Bonds | 46,305,000 | | 40,000 | 46,265,000 | 50,000 |
| 2003 ARRA Demand Revenue Bonds | 13,440,000 | | | 13,440,000 | 240,000 |
| Equipment Purchase Agreements | 897,254 | | 231,522 | 665,732 | 234,501 |
| Loans Payable | 1,019,288 | \$4,000,000 | 103,729 | 4,915,559 | 119,033 |
| Leases Payable | 808,390 | | 174,894 | 633,496 | 179,582 |
| Total Governmental Activity Debt | \$112,794,932 | \$4,000,000 | \$2,150,145 | \$114,644,787 | \$2,773,116 |
| Business-Type Activity Debt: | | | | | |
| 1995 Certificates of Participation | \$3,785,000 | | \$240,000 | \$3,545,000 | \$250,000 |
| State Construction Loan | 160,693 | | 18,898 | 141,795 | 19,539 |
| State Water Resources Control Board | 1,552,835 | | 110,665 | 1,442,170 | 113,764 |
| State Revolving Fund Loan, 1998 | 1,619,708 | | 106,318 | 1,513,390 | 109,083 |
| State Revolving Fund Loan, 1999 | 771,274 | | 46,065 | 725,209 | 47,308 |
| State Revolving Fund Loan, 2004 | 1,390,929 | | 66,108 | 1,324,821 | 67,826 |
| Equipment Purchase Agreements | 254,688 | \$200,609 | 114,996 | 340,301 | 201,362 |
| Total | \$9,535,127 | \$200,609 | \$703,050 | \$9,032,686 | \$808,882 |

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 7 – LONG-TERM DEBT (Continued)

A. Housing Authority Long Term Debt

The Housing Authority's long-term debt activity for the year ended June 30, 2007 is as follows:

| | Balance June 30, 2006 | Retirements | Balance June 30, 2007 |
|---------------------------------|--------------------------|------------------|--------------------------|
| ARCS Commercial Co. L.P. | \$6,706,488 | \$91,716 | \$6,614,772 |
| PMC Financial Services | 9,114,532 | 177,259 | 8,937,273 |
| Notes Payable - City of Alameda | 1,088,600 | | 1,088,600 |
| Notes Payable - Other | 456,495 | 12,834 | 443,661 |
| Total | <u>\$17,366,115</u> | <u>\$281,809</u> | <u>\$17,084,306</u> |

B. Alameda P&T Long-Term Debt

Alameda P&T's long-term debt consists of the Certificates of Participation issues discussed in Note F below. The Alameda P&T long-term debt issues and transactions were as follows:

| | Original Issue Amount | Balance June 30, 2006 | Balance June 30, 2007 | Current Portion |
|--|--------------------------|--------------------------|--------------------------|--------------------|
| Electric System Revenue Taxable COPs, Series 2000AT | \$29,500,000 | \$29,500,000 | \$29,500,000 | |
| Electric System Revenue COPs, Series 2000A | 9,545,000 | 9,545,000 | 9,545,000 | |
| Telecom System Revenue Taxable COPs, Series 2002A | 6,300,000 | 6,300,000 | 6,300,000 | \$1,357,509 |
| Telecom System Revenue Bond Anticipation Notes, Series 2004 | 33,000,000 | 33,000,000 | 33,000,000 | |
| Loan from City of Alameda | 2,200,000 | <u>2,200,000</u> | <u>2,200,000</u> | |
| Total long-term debt | | <u>\$80,545,000</u> | <u>\$80,545,000</u> | <u>\$1,357,509</u> |

Alameda P&T is required to maintain amounts of cash and investments with trustees or fiscal agents under the terms of the Series 2000A Certificates of Participation, as discussed at Note 6F.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 7 – LONG-TERM DEBT (Continued)

C. Debt Service Requirements - City, Housing Authority and Alameda P&T

Annual debt service requirements are shown below for all long-term debt:

| For the Year Ending June 30 | Governmental Activities | | Business-Type Activities | | Discretely Presented Component Units | | | |
|--------------------------------|-------------------------|---------------------|--------------------------|--------------------|--------------------------------------|---------------------|--------------------------|---------------------|
| | | | | | Governmental Activities | | Business-Type Activities | |
| | Principal | Interest | Principal | Interest | Housing Authority | | Alameda P&T | |
| 2008 | \$2,773,116 | \$6,008,248 | \$808,882 | \$321,135 | \$299,342 | \$681,086 | \$1,357,509 | \$6,259,851 |
| 2009 | 2,984,378 | 5,884,723 | 671,281 | 296,739 | 316,655 | 667,130 | 40,142,491 | 5,774,686 |
| 2010 | 3,126,913 | 5,737,826 | 693,505 | 270,870 | 334,979 | 652,371 | | 2,366,945 |
| 2011 | 3,119,360 | 5,549,640 | 721,015 | 244,952 | 354,364 | 636,762 | | 2,366,945 |
| 2012 | 3,319,360 | 5,382,934 | 718,064 | 218,376 | 374,869 | 620,255 | 975,000 | 3,335,070 |
| 2013-2017 | 18,627,660 | 24,139,450 | 3,827,476 | 689,183 | 2,225,970 | 2,818,403 | 6,010,000 | 10,685,777 |
| 2018-2022 | 21,382,000 | 19,201,342 | 1,492,784 | 95,088 | 2,949,190 | 2,237,303 | 8,400,000 | 8,557,390 |
| 2023-2027 | 24,537,000 | 13,130,812 | 99,679 | 2,591 | 3,881,100 | 1,469,075 | 11,450,000 | 5,520,523 |
| 2028-2032 | 27,225,000 | 6,389,742 | | | 4,060,619 | 520,596 | 12,210,000 | 1,437,359 |
| 2033-2037 | 7,550,000 | 367,208 | | | 1,336,941 | 49,555 | | |
| 2038-2042 | | | | | 46,846 | | | |
| 2043-2047 | | | | | 41,221 | | | |
| 2048-2052 | | | | | 33,638 | | | |
| 2053-2057 | | | | | 828,572 | | | |
| 2058-2062 | | | | | | | | |
| Total | \$114,644,787 | \$91,791,925 | \$9,032,686 | \$2,138,934 | \$17,084,306 | \$10,352,536 | \$80,545,000 | \$46,304,546 |

D. Description of the City's Long-Term Debt Issues

Some of the City's debt is in the form of Certificates of Participation, which are a type of debt secured by lease payments made by the City under non-cancelable lease agreements. The cost of the assets securing these leases and the balance of the debt evidenced by these Certificates of Participation have been included in the City's financial statements as these leases are in essence financing arrangements with ownership of the financed assets reverting to the City at their conclusion.

1996 Police Building Refinancing and Equipment Financing Certificates of Participation - The City issued Certificates of Participation in the original principal amount of \$2,770,000, and bearing interest at 4.00-6.125%, on July 16, 1996 as a sale and leaseback agreement under a non-cancelable lease extending to August 1, 2015. The proceeds from the sale of the Bonds were used to refund City's 1990 COP's Police Building and Equipment Financing Project COPs. Under this lease, the City makes semi-annual payments February 1 and August 1 from the Police and Fire Impact fund and asset seizure revenues to pay the principal and interest on the 1996 Certificates of Participation. The cost of the building and the balance of the debt evidenced by the Police Building Refinancing and Equipment Financing Certificates of Participation have been included in the City's financial statements as this lease is in essence a financing arrangement, with ownership of the financed assets reverting to the City at its conclusion.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 7 - LONG-TERM DEBT (Continued)

1996 Library and Golf Course Upgrade and Renovation Certificates of Participation - The City issued Certificates of Participation in the original principal amount of \$4,900,000, and bearing interest at 3.90-5.75%, on December 1, 1996 to finance the seismic upgrade and renovation of the Carnegie Library building and certain golf course facilities under a non-cancelable lease of these facilities extending to December 1, 2021. Under this lease, the City makes semi-annual payments June 1 and December 1 from any source of available funds of the City which are sufficient to pay the principal and interest on the 1996 Certificates of Participation. Ownership of the leased premises reverts to the City at the end of the lease. The balance of the debt evidenced by the Library and Golf Course Upgrade and Renovation Certificates of Participation have been included in the City's financial statements as this lease is in essence a financing arrangement, with ownership of the financed assets reverting to the City at its conclusion.

2002 City Hall Refinancing Project Certificates of Participation - The City issued Certificates of Participation in the original principal amount of \$11,370,000, and bearing interest at 2.25-4.75%, on September 10, 2002 to refund the City's outstanding \$10,565,000 1995 City Hall Seismic Upgrade and Renovation Project Certificates of Participation. The 1995 COP was to finance the seismic upgrade and renovation of City Hall and certain fire station facilities under a non-cancelable lease of these facilities extending to May 1, 2025. Under this lease, the City makes semi-annual payments May 1 and November 1 from vehicle licensing fees, which are sufficient to pay the principal and interest on the 2002 Certificates of Participation. Ownership of the leased premises reverts to the City at the end of the lease. The balance of the debt evidenced by the 2002 Certificates of Participation have been included in the City's financial statements as this lease is in essence a financing arrangement, with ownership of the financed assets reverting to the City at its conclusion. Principal and interest are payable semi-annually each November 1 and May 1 through 2025.

The refunding proceeds of the 2002 Bonds were used to purchase non-callable US government securities which were deposited in an irrevocable trust to provide for all future debt service payments of the 1995 COPs. Accordingly, the trust account assets and the liability for the refunded portion of the 1995 COPs are not included in the financial statements.

The balance of the City's debt are in various forms as follows:

1992 Revenue Bonds - On April 1, 1992, the Alameda Public Financing Authority issued \$2,740,000 original principal amount of 1992 Revenue Bonds, bearing interest at 5.80-6.80%. The proceeds from the sale of the Bonds were used to refund the West End Improvement Project 1985 Tax Allocation Bonds. The Community Improvement Commission's tax increment revenue is pledged for the repayment of these bonds. Principal and interest are payable semi-annually each April 1 and October 1 through 2016.

2002 Community Improvement Commission Subordinate Taxable Tax Allocation Bonds - On March 1, 2002, the Community Improvement Commission issued Tax Allocation Bonds in the principal amount of \$4,640,000, bearing interest at 6.05-7.75%. The proceeds, in part, were used to repay a loan from the City to the Community Improvement Commission related to the Commission's Business and Waterfront Improvement Project. The bonds are payable from tax increment revenues receivable by the Commission with respect to the Project Area. Principal and interest are payable semi-annually on February 1 and August 1 through February 2012.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 7 – LONG-TERM DEBT (Continued)

2003 General Obligation Bonds – On November 7, 2000 the voters approved the issuance of General Obligation Bonds, which the City issued on March 25, 2003, in the principal amount of \$10,600,000, plus a reoffering premium of \$268,000, to finance the acquisition and construction of a new main library and improvements to two branch libraries within the City. The bonds bear interest at 2.00-5.00%. The repayment of the bonds is secured by all revenue of the City. Principal payments are due annually on August 1. Interest payments are due semi-annually on February 1 and August 1 through August 1, 2033.

2003 Community Improvement Commission Tax Allocation Refunding Bonds – On October 1, 2003, the Community Improvement Commission issued Tax Allocation Refunding Bonds related to the Business and Waterfront Improvement Area in the original principal amount of \$18,535,000, with Series 2003 C issued in the amount of \$17,510,000 and Series 2003 D in the amount of \$1,025,000. The bonds bear interest at 2.00-6.62%. The proceeds were used to retire the 2002 Financing Authority Variable Rate Revenue Bonds. The Bonds are payable from tax increment revenues receivable by the Commission with respect to the Project Area. Principal is payable annually on February 1 with interest payable semi-annually on February 1 and August 1 through February 2032.

2003 Community Improvement Commission Tax Allocation Bonds – On December 1, 2003, the Community Improvement Commission issued Series 2003 A1 and A2 Tax Allocation Bonds in the amount of \$37,390,000 and Series 2003 B Subordinated Tax Allocation Bonds in the amount of \$9,205,000 for a total original principal amount of \$46,595,000, for the Commission's merged improvement areas. The bonds bear interest at 2.00-5.85%. The proceeds are to finance certain redevelopment projects, to repay the City a loan of \$2,200,000 for the project area and to finance \$12,200,000 of demolition cost incurred in the project area. The Series 2003 A1 and A2 are secured by a pledge of certain tax increment revenues for the Commission's Merged Project Area. The Series 2003 B are secured by a subordinate pledge of tax revenues. Interest is payable semiannually on March 1 and September 1 through 2033. Principal is payable annually on March 1 through 2033.

2003 ARRA Demand Revenue Bonds (Alameda Point Improvement Project) – On December 1, 2003, the Alameda Public Financing Authority issued Revenue Bonds in the original principal amount of \$13,440,000 at a variable rate of interest determined on a weekly basis. The proceeds from the bonds were used to refund the 1999 ARRA Revenue Bonds which were issued to finance the costs of certain improvements at Alameda Point and to finance professional services for land use planning and other activities required in the redevelopment process at Alameda Point. Repayment of these bonds is from rental revenues paid to ARRA from certain land, buildings, fixtures and equipment. Interest is payable on the first business day of each month.

Loans Payable - The City entered into a loan with Alameda P&T for \$70,000 on April 14, 2003 to conduct a study and renewal recommendation for the 1929 "Historic Street Lights" to be conducted by Alameda P&T. However, on August 17, 2004 the street lights were transferred to Alameda P&T after incurring study related costs of \$36,868. The loan principal was reduced by \$34,089 to reflect only the costs incurred prior to the transfer. The City agreed to pay annual payments of \$4,297 through 2010. At June 30, 2007 the outstanding balance was \$11,097.

The City entered into a loan with Alameda P&T for the replacement of deteriorated street lights. Through June 30, 2007, Alameda P&T had expended \$627,300 for street light replacement, and the City had made payments of \$402,000. Annual installments of \$40,000 are scheduled until the loan is repaid. At June 30, 2007 the outstanding balance was \$225,300.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 7 – LONG-TERM DEBT (Continued)

The City entered into a loan with Alameda P&T for \$79,000 to construct underground streetlights owned by the City's Underground Districts #21 and #16 and maintained by the City's Public Works department. The loan carries an interest rate of 2% and is to be repaid in annual installments through fiscal year 2009. The loan was reduced to \$54,000 on August 2005. At June 30, 2007 the outstanding balance was \$18,662.

The City entered into a loan with Alameda P&T in April 2005 for \$21,000 to provide the City's Recreation and Parks Department's new facility at 2226 Santa Clara Avenue with telecommunications capabilities. The loan is to be repaid over four years with equal installments of \$5,250 and has a zero percent interest rate. At June 30, 2007 the outstanding balance was \$10,500.

ERAF Loan Program – In April 2006, the Community Improvement Commission borrowed \$695,000 from California Statewide Communities Development Authority to pay for Educational Revenue Augmentation Fund (ERAF) due to Alameda County. Both principal and interest payments are made semi-annually through March 2016.

HUD Section 108 Loan – In September 2006, the Community Improvement Commission borrowed \$4,000,000 from the Department of Housing and Urban Development for the construction of the Alameda Theater Garage Project. The loan bears interest of 4.99% to 5.77% and is to be repaid in annual installments through fiscal 2027 from grant and parking garage revenues.

1995 Sewer System Refinancing & Improvement Certificates of Participation - On December 14, 1995, the City issued Certificates of Participation in the original principal amount of \$5,850,000, bearing interest at 4.05-5.15%. \$5,035,792 of the proceeds plus \$434,355 from the 1988 refunded debt reserves were used to set up an escrow account to make principal and interest payments on the 1988 refunded debt through March 1, 1998 and to redeem the 1988 COPs at 103% on March 1, 1998. The remaining \$815,000 of the proceeds is to be used for new Sewer Fund Projects relating to the closure of the Alameda Naval Air Station. The COPs mature on March 1, 2018. The installment payments are made from the net revenues of the Sewer Services Enterprise Fund.

State Construction Loan - On May 2, 1989, the City entered into a loan with the State of California State Water Resources Control Board for \$400,431 at 3.39% interest to construct facilities for the control and prevention of water pollution. The loan is payable from Sewer Service Enterprise Fund operating revenues. The City agreed to make annual payments of \$24,349 through December 1, 2013.

State Water Resources Control Board- On February 8, 1996, the City entered into a loan with the State of California State Water Resources Control Board for up to \$2,324,502 at 2.8% interest, of which all has been drawn down. The purpose of the loan is to provide funding to install sanitary sewer facilities. The loan is payable from Sewer Service Enterprise Fund operating revenues. The City agreed to make annual payments of \$154,144 through August 5, 2017.

State Revolving Fund Loan - The City entered into a contract on July 1, 1998 to borrow funds from the State Water Resources Control Board. The funds are being used for a Sewer Replacement Project to replace sewers to correct infiltration and inflow. The maximum loan amount is \$2,292,025, of which all has been drawn down. This loan bears interest at 2.6% per year for a term of twenty years.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 7 – LONG-TERM DEBT (Continued)

State Revolving Fund Loan - The City entered into a contract on September 29, 1999 to borrow funds from the State Water Resources Control Board. The funds are being used for a Sewer Replacement Project to replace sewers to correct infiltration and inflow. The maximum loan amount is \$1,193,529 and shall bear interest at 2.7% per year for a term of twenty years. As of June 30, 2007, the City has drawn down \$1,030,513 of the loan.

State Revolving Fund Loan - The City entered into a contract on August 12, 2004 to borrow funds from the State Water Resources Control Board. The funds are being used for a Sewer Replacement Project to replace sewers to correct infiltration and inflow. The maximum loan amount is \$1,840,292 and shall bear interest at 2.6% per year for a term of twenty years. As of June 30, 2007, the City has drawn down \$1,530,442 of the loan.

Equipment Purchase Agreements - On November 3, 1994 the City entered into a non-cancelable lease agreement in the amount of \$450,000 with U.S. Bank to acquire a fire truck. The City agreed to pay the lease in monthly payments of \$3,875 for 180 months. Ownership of the fire truck reverts to the City at the end of the lease. Since the lease is in essence a financing arrangement, the cost of the fire truck and the amount of the lease have been included in the City's financial statements.

On April 18, 2001 the City entered into a non-cancelable lease agreement in the amount of \$404,934 with Textron Financial Corporation to acquire certain electric golf equipment. The City agreed to pay the lease in monthly payments of \$8,270 for 36 months. On April 5, 2004 the City traded-in the golf equipment in exchange for a new lease agreement with Textron Financial Corporation in the amount of \$444,077. Under the new lease agreement the City agreed to pay \$9,203 for 36 months. Ownership of the golf equipment reverts to the City at the end of the lease. Since the lease is essentially a financing agreement, the cost of the golf equipment and the amount of the lease have been included in the City's financial statements.

On April 1, 2003 the City entered into a non-cancelable lease agreement in the amount of \$674,467 with Bank of Alameda to acquire two fire trucks. The City agreed to pay the lease in quarterly payments of \$21,597 for ten years. Ownership of the fire trucks reverts to the City at the end of the lease. Since the lease is in essence a financing arrangement, the costs of the fire trucks and the amount of the lease have been included in the City's financial statements.

On May 7, 2003 the City entered into a non-cancelable lease agreement in the amount of \$948,040 with Bank of Alameda to acquire a telephone system. The City agreed to pay the lease in monthly payments of \$19,003 for 84 months. Ownership of the equipment reverts to the City at the end of the lease. Since the lease is in essence a financing arrangement, the costs of the telephone system and the amount of the lease have been included in the City's financial statements.

On December 15, 2005 the City entered into a lease agreement in the amount of \$336,874 with the California First Leasing Corporation to acquire accounting system upgrades, a Fire Record Management System and a Storage Area Network. Included in the lease amount are license fees, training, installation, and data conversion costs. The City agreed to pay the lease in annual payments of \$122,222 for three years. Ownership of the software and hardware reverts to the City at the end of the lease. Since the lease is in essence a financing arrangement, the capital costs and the amount of the lease have been included in the City's financial statements.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 7 – LONG-TERM DEBT (Continued)

On October 15, 2006, the City entered into a lease agreement in the amount of \$200,609 with Wells Fargo Financial Leasing, Inc. to acquire various golf maintenance equipment. The City agreed to pay the lease in monthly payments of \$3,798 for 60 months. Ownership of the equipment reverts to the City at the end of the lease. Since the lease is essentially a financing arrangement, the costs of the golf equipment and the amount of the lease have been included in the City's financial statements.

E. *Housing Authority Notes Payable*

The deed of trust note dated April 1, 2005 of \$6,800,000 for the Parrot and Eagle Village Apartments with ARCS Commercial Co. L.P. accrues interest at a variable rate based upon the weekly short term bond reset rate. The note requires payments of principal and interest in amounts at least totaling \$340,016. The note matures April 15, 2035. The outstanding balance on the note at June 30, 2007 was \$6,614,772.

Four other notes are secured by deeds of trust on six properties located throughout the City of Alameda. These notes were issued during the fiscal years ended June 30, 1997 and June 30, 2004. These notes have a balance owing of \$443,661 as of June 30, 2007. The notes have interest rates ranging from 5.05% to 6.72% per annum and require annual principal and interest payments totaling \$37,298.

Issued during the fiscal year ended June 30, 1997 were two deferred loans from the City of Alameda. These loans were issued for \$518,600 and carry no interest rate. They are secured by deeds of trust on nine properties located in Alameda, California. One of the notes is deferred until January 1, 2027. Varying semiannual payments are due on each loan from the deferral date through January 1, 2027.

A promissory note agreement for \$570,000 was entered into with the City of Alameda on June 18, 1998. This note bears interest at 3% per annum. Both interest and principal payments on this loan are deferred until the note's due date of June 30, 2057.

The mortgage note payable to PMC Financial Services was entered into on August 25, 1998. It is payable in monthly installments of \$56,705, including principal and interest at 5.57%. Final payment is due February 1, 2031. The outstanding balance on this loan at June 30, 2007 was \$8,937,273.

F. *Alameda Power & Telecom Certificates of Participation and Bonds Payable*

Electric System Revenue Taxable Certificates of Participation, Series 2000AT -- On April 6, 2000, Alameda P&T issued \$29,500,000 of Certificates of Participation, Series 2000AT. Proceeds were used to refinance certain obligations of the Electric System with respect to NCPA. The Series 2000AT matures semi-annually through July 1, 2030 with annual principal debt service commencing on July 1, 2011. The certificates bear interest at an auction rate fluctuating around the one-month LIBOR rate. On July 24, 2001, Alameda P&T entered into a Swap agreement with UBS Warburg to establish a set interest rate of 6.23% on the certificates. Interest amounts are payable monthly. All principal and interest payments are to be made from Alameda P&T's operating revenues and are secured by a pledge of these revenues.

The continuing disclosure agreement required notification that the Crossover Date has not occurred as of December 31, 2002. Crossover Date means the date that each of the following conditions is satisfied, whereupon the 2000AT payments will no longer be secured by any pledge of Net Revenues other than Distribution System Net Revenues, but instead will be secured solely by a prior pledge of Distribution System Net Revenues:

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 7 – LONG-TERM DEBT (Continued)

- I. The Distribution System will have been operated as an enterprise separate and distinct from the rest of the Electric System for at least one full fiscal year, and Distribution System assets, liabilities, revenues and expenses have been determined and reported in accordance with sound accounting principles;
- II. The pro forma ratio of Distribution System Net Revenues to Maximum Annual Distribution System Service for the prior two fiscal years is not less than 1.10 to 1.00; and
- III. The Bond Insurer consents to the transfer of security from Net Revenues to Distribution System Net Revenues; provided, however, that such consent is required if and only if such transfer directly causes the then underlying rating, if any, on the 2000AT Certificates to be downgraded or withdrawn.

Electric System Revenue Certificates of Participation, Series 2000A -- On April 1, 2000 Alameda P&T issued \$9,545,000 of Electric System Revenue Certificates of Participation, Series 2000A bearing interest at 5% to 5.75%. Proceeds were used to defease the remaining outstanding 1992 Certificates of Participation, finance certain electric system improvements, and pay cost of delivery of the 2000A certificates. The Series 2000A Certificates of Participation mature annually through July 1, 2030. Principal amounts are payable annually July 1 commencing July 1, 2011. Interest amounts are payable semiannually on January 1 and July 1.

Alameda P&T is required to maintain amounts of cash and investments with trustees or fiscal agents under the term of the Series 2000A Certificates of Participation, as discussed at Note 2.

The continuing disclosure agreement required notification that work related to the acquisition, construction and installation of the Electric System improvements projects provided for by this financing began in fiscal year 2001.

Telecom System Revenue Taxable Certificates of Participation, Series 2002A -- Alameda P&T purchased VECTREN Communications Services, Inc.'s (VCS) right to operate the System and to receive any Management fee for the purchase price of \$6,300,000 under an installment sale agreement in which periodic payments of principal and interest will be paid to VCS. Simple interest shall accrue at the rate of five percent per annum of the purchase price from the effective date of the agreement, which is June 28, 2002. Subject to the availability of telecommunications net system revenues, Alameda P&T will repay this obligation with five equal installments. The payment due on May 1, 2006 of \$1,582,905 is deferred until fiscal year 2009. Pursuant to Telecom System Revenue Bond Anticipation Notes Series 2004 trust agreements, Alameda P&T accrued \$377,780 of additional interest payable in fiscal year 2007. The Management fee is amortized over 15 years and the amortization expense was \$462,000 in fiscal year 2007.

Telecom System Revenue Bond Anticipation Notes, Series 2004 -- On April 8, 2004, Alameda P&T issued \$33,000,000 of Revenue Bond Anticipation Notes. Proceeds were used to pay the balance of the Certificates of Participation 2000B, to finance additional costs of the construction, equipping and improvement of the Telecom System and to establish a reserve to pay capitalized interest on the Notes through their maturity dates. The Notes mature on June 1, 2009. The Notes bear interest at 7% and interest payments are made semi-annually on December 1 and June 1 from funds provided by the capitalized interest reserve.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 7 - LONG TERM DEBT (Continued)

Loan from City of Alameda – On December 16, 2003 at the request of the Public Utilities Board, the Alameda City Council authorized a loan of \$2,200,000 to Alameda P&T for the purpose of construction of the hybrid fiber-optic/coaxial telecom system. The loan is interest free and is due on June 1, 2009.

G. KQED, Inc.

On May 1, 1990 the City acted as a financial intermediary in order to assist the public television station KQED, Inc. in issuing \$17,200,000 in variable rate demand bonds. The bonds are payable solely from revenues collected by KQED, Inc. The City has not included these bonds in its basic financial statements since it is not legally or morally obligated for the repayment of the bonds.

NOTE 8 - SPECIAL ASSESSMENT DEBT WITHOUT CITY'S COMMITMENT

Paragon Gateway Community Facilities District #2, Harbor Bay Community Facilities District #1 (Harbor Bay Business Park), and the Alameda Public Financing Authority (Marina Village Assessment District Bond Refinancing), have also issued debt, but the City has no legal or moral liability with respect to the payment of this debt, which is secured only by assessments on the properties in these Districts.

At June 30, 2007, these Districts' outstanding debt amounted to \$50,515,000.

NOTE 9 – NET ASSETS AND FUND BALANCES

A. Net Assets

Net Assets is the excess of all the City's assets over all its liabilities, regardless of fund. Net Assets are divided into three categories. These captions apply only to Net Assets, which is determined only at the Government-wide level, and are described below:

Invested in capital assets, net of related debt describes the portion of Net Assets which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low-and-moderate-income purposes.

Unrestricted describes the portion of Net Assets which is not restricted to use.

B. Fund Balance

Fund balance consists of reserved and unreserved amounts. Reserved fund balance represents that portion of a fund balance, which has been appropriated for expenditure or is legally segregated for a specific future use. The remaining portion is unreserved.

A portion of unreserved fund balance may be designated to indicate plans for financial resource utilization in a future period, such as for general contingencies or capital projects. Such plans are subject to change and may never be legally authorized or result in expenditures.

| |
|--|
| CITY OF ALAMEDA Notes to Basic Financial Statements |
|--|

| |
|--|
| NOTE 9 – NET ASSETS AND FUND BALANCES (Continued) |
|--|

The funds below had fund balance deficits or net asset deficits in the amounts shown at June 30, 2007. Future revenues are expected to offset these deficits.

Special Revenue Funds:

| | |
|--|-----------|
| Alameda Point Improvement Project Area | \$992,068 |
| FISC Lease Revenue | 6,344,881 |
| Narcotics Assets Seizure | 42,561 |

Internal Service Funds:

| | |
|---------------------------------|-----------|
| Workers' Compensation Insurance | 5,456,354 |
| Risk Management Insurance | 964,598 |

Expenditures in Excess of Budget

The funds below incurred expenditures or expenses in excess of their budgets in the amounts below as the result of unanticipated disbursements for the year ended June 30, 2007. Sufficient funds were available to fund these expenditures.

General Fund:

| | |
|---|----------|
| Debt Service: Principal | \$14,751 |
| Debt Service: Interest and fiscal charges | 34,776 |

Special Revenue Funds:

| | |
|---|--------|
| West End Community Improvement Project Area | |
| Capital outlay | 698 |
| Alameda Point Improvement Project Area | |
| Debt Service: Interest and fiscal charges | 37,772 |
| FISC Lease Revenue | |
| Debt service: Interest and fiscal charges | 72,112 |
| Theatre/Parking Structure Project | |
| Debt service: Interest and fiscal charges | 20,164 |
| Tidelands | |
| General government | 22,766 |
| Athletic Recreation | |
| Capital outlay | 555 |

Debt Service Fund

| | |
|---|---------|
| Alameda Point Improvement Project 2003 Revenue Bond | 196,197 |
|---|---------|

Capital Projects Funds

| | |
|--|---------|
| Capital Improvement Projects | |
| Debt service: Principal | 6,256 |
| Debt service: Interest and fiscal charges | 566 |
| Library Construction | |
| Capital outlay | 111,959 |
| Community Facility District #2 | |
| Capital outlay | 1,482 |
| Harbor Bay Isle 92-1 Special Assessment District | |
| Capital outlay | 70,002 |
| Marina Village 89-1 Special Assessment District | |
| Capital outlay | 15,735 |
| Alameda Point Improvement Project 2003 Revenue Bonds | |
| Capital outlay | 1,376 |

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 10 - PENSION PLANS

A. CALPERS Safety and Miscellaneous Employees Plans

Substantially all City employees are eligible to participate in pension plans offered by California Public Employees Retirement System (CALPERS) an agent multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The City's employees participate in the separate Safety (police and fire) and Miscellaneous (all other) Employee Plans. Benefit provisions under both Plans are established by State statute and City resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CALPERS; the City must contribute these amounts. The Plans' provisions and benefits in effect at June 30, 2007, are summarized as follows:

| | <u>Safety</u> | <u>Miscellaneous</u> |
|---|------------------|----------------------|
| Benefit vesting schedule | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life |
| Retirement age | 50 | 55 |
| Monthly benefits, as a % of annual salary | 3.000% | 2.000% |
| Required employee contribution rates | 9.000% | 7.000% |
| Required employer contribution rates | 29.557% | 12.677% |

CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the City's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this Method is the level amount the employer must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarial accrued liability.

CALPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 7.75% is assumed, including inflation at 3.00%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis over twenty years. Investment gains and losses are accumulated as they are realized and ten percent of the net balance is amortized annually.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 10 - PENSION PLANS (Continued)

The Plans' actuarial value (which differs from market value) and funding progress over the most recently available past three years is set forth below at their actuarial valuation date of June 30:

Safety Plan:

| Actuarial | | | | | | Unfunded (Overfunded) |
|-------------------|-----------------------------------|------------------------------|---------------------------------------|-----------------|---------------------------|------------------------------|
| Valuation Date | Entry Age Accrued Liability | Actuarial Value of Assets | Unfunded (Overfunded) Liability | Funded Ratio | Annual Covered Payroll | Liability as % of Payroll |
| 2003 | \$185,987,125 | \$141,110,783 | \$44,876,342 | 75.9% | \$20,549,153 | 218.4% |
| 2004 | 198,572,604 | 150,663,110 | 47,909,494 | 75.9% | 20,542,771 | 233.2% |
| 2005 | 213,699,436 | 163,233,739 | 50,465,697 | 76.4% | 21,213,748 | 237.9% |

Miscellaneous Plan:

| Actuarial | | | | | | Unfunded (Overfunded) |
|-------------------|-----------------------------------|------------------------------|---------------------------------------|-----------------|---------------------------|------------------------------|
| Valuation Date | Entry Age Accrued Liability | Actuarial Value of Assets | Unfunded (Overfunded) Liability | Funded Ratio | Annual Covered Payroll | Liability as % of Payroll |
| 2003 | \$133,411,431 | \$120,299,862 | \$13,111,569 | 90.2% | \$31,168,669 | 42.1% |
| 2004 | 143,447,821 | 127,047,861 | 16,399,960 | 88.6% | 32,848,338 | 49.9% |
| 2005 | 154,416,758 | 137,051,641 | 17,401,117 | 88.8% | 31,220,941 | 55.6% |

Audited annual financial statements are available from CALPERS at PO Box 942709, Sacramento, CA 94229-2709.

Actuarially required contributions for fiscal years 2007, 2006, and 2005 were \$10,513,857, \$11,569,361, and \$10,106,802. The City made these contributions as required, together with certain immaterial amounts required as the result of the payment of overtime and other additional employee compensation.

B. Police and Fire Pension Plans

The City sponsors and administers two single employer defined benefit retirement plans for its police and fire department retirees. Police and fire employees who entered service before 1953 participate in Plan 1079, a closed plan consisting of 45 participants, all of whom are retired employees or beneficiaries. Employees with 25 or more years of service receive monthly pension benefits equal to one-half the monthly salary paid to current City employees of the rank held by the retiree one year prior to the date of retirement. Employees retired after 10 but before 25 years of service receive monthly pension benefits in the proportion that the number of years service bears to 25. Qualified surviving spouses receive the retirees' monthly pension benefits for life. Upon remarriage, the qualified surviving spouse receives one-half of the retiree's monthly pension benefits. Employees who became disabled from service-related causes receive monthly pension benefits equal to one-half the monthly salary paid to current City employees of the rank held by the disabled employee on the date of their disability, reduced by any workers' compensation benefits received.

Plan 1082 is a closed plan consisting of two retired employees who receive monthly pension benefits of \$2,119 and \$1,328, respectively, adjusted annually by a maximum of 2% per year cost-of-living adjustment. Upon the death of a retiree, the qualified spouse receives one-half of the retiree's monthly pension benefit for life or until remarriage.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 10 - PENSION PLANS (Continued)

C. Funding Policy

Although Plans 1079 and 1082 may have some allocated assets, the City's contribution policy is to fund the plans on a pay-as-you-go basis. The annual required contribution equals the greater of:

- 15 year amortization of the unfunded actuarial accrued liability, or
- actual benefits paid during the year

D. Annual Pension Cost

Government Accounting Standards Board Statement No. 27 (Statement 27) requires the City to determine the plan's annual pension cost based on the most recent actuarial valuation. The annual pension cost equals the plan's annual required contribution, adjusted for historical differences between the annual required contribution and amounts contributed. The actuary has determined the City's annual required contribution as the greater of (a) a 15-year amortization of the unfunded actuarial liability or, (b) actual benefit payments made for the year.

For fiscal year ending June 30, 2007, the City's annual required contribution was \$3,020,348 for Plan 1079 and \$56,200 for Plan 1082. These amounts are more than the City's actual contributions of \$3,016,190 for Plan 1079 and \$40,967 for Plan 1082. The required contributions were determined based on a projection of the January 1, 2005 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 4.0% investment return (net of administrative expenses), (b) the CalPERS 1997 – 2002 Experience Study table for Males and Females, (c) projected annual benefit increases of 5% a year for Plan 1079 and cost-of-living adjustment of 2% per year for Plan 1082. Both (a) and (c) include a 2% annual inflation component. At June 30, 2007, the City had a net pension obligation of \$80,000, which was reported on the Statement of Net Assets.

E. Trend Information - Plans 1079 and 1082

The following table provides nine years of historical information of the Annual Pension Cost:

Plan 1079:

| <u>Fiscal Year</u> <u>Ending</u> | <u>Annual</u> <u>Pension Cost</u> <u>(APC)</u> <u>(000's omitted)</u> | <u>Percentage of</u> <u>APC</u> <u>Contributed</u> | <u>Net Pension</u> <u>Obligation</u> <u>(000's omitted)</u> |
|-------------------------------------|--|--|---|
| 6/30/2005 | \$2,699 | 116% | (\$9) |
| 6/30/2006 | 3,478 | 89% | 377 |
| 6/30/2007 | 3,069 | 98% | 49 |

Plan 1082:

| <u>Fiscal Year</u> <u>Ending</u> | <u>Annual</u> <u>Pension Cost</u> <u>(APC)</u> <u>(000's omitted)</u> | <u>Percentage of</u> <u>APC</u> <u>Contributed</u> | <u>Net Pension</u> <u>Obligation</u> <u>(000's omitted)</u> |
|-------------------------------------|--|--|---|
| 6/30/2005 | \$69 | 57% | \$145 |
| 6/30/2006 | 26 | 154% | 131 |
| 6/30/2007 | 73 | 58% | 31 |

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 10 - PENSION PLANS (Continued)

** Annual Pension Cost information for fiscal years before July 1, 1999 was provided by the City.

SCHEDULE OF FUNDING PROGRESS

| <u>Actuarial Valuation Date</u> | <u>Actuarial Value of Assets</u> | <u>Actuarial Accrued Liability</u> | <u>Unfunded Actuarial Accrued Liability</u> | <u>Funded Ratio</u> | <u>Covered Payroll</u> | <u>UAAL as a % of Covered Payroll</u> |
|---|--|--|---|-------------------------|----------------------------|---|
| <i>Plan 1079</i> | | | | | | |
| 6/30/2005 | \$0 | \$30,839,000 | \$30,839,000 | 0% | N/A | N/A |
| 6/30/2006 | 0 | 27,927,000 | 27,927,000 | 0% | N/A | N/A |
| 6/30/2007 | 0 | 25,871,000 | 25,871,000 | 0% | N/A | N/A |
| <i>Plan 1082</i> | | | | | | |
| 6/30/2005 | \$0 | \$843,000 | \$843,000 | 0% | N/A | N/A |
| 6/30/2006 | 0 | 832,000 | 832,000 | 0% | N/A | N/A |
| 6/30/2007 | 0 | 776,000 | 776,000 | 0% | N/A | N/A |

Audited financial statements are available from the City of Alameda at 2263 Santa Clara Avenue, Room 220, Alameda, California 94501.

F. Other Retirement Systems

The Omnibus Budget Reconciliation Act of 1990 (OBRA) mandates that public sector employees who are not members of their employer's existing retirement system as of January 1, 1992 be covered by either Social Security or an alternative plan. Effective January 1, 1995, the City contracted with the Public Agency Retirement System (PARS), to maintain a defined contribution plan. This Plan covers part-time, seasonal and temporary employees and all employees not covered by another retirement system. All eligible employees that are covered by the Plan are fully vested. Employer liabilities are limited to the amount of current contributions.

Under PARS, employees contribute 6% and the City contributes 1.5% of the employee's salary each pay period. For the fiscal year ending June 30, 2007, total contributions of \$42,352 were made based on a total amount of covered compensation of \$2,823,448.

Two of the City's part-time employees elected to be covered under Social Security, which requires these employees and the City to each contribute 6.2% of the employees' pay. Total contributions to Social Security during the year ended June 30, 2007 amounted to \$5,770 of which the City paid one-half.

Effective May 3, 2001 the City adopted the PARS Retirement Enhancement Plan for Council appointed employees as of that date and the PARS Excess Benefit Plan for two council appointed employees as of that date as part of the City Retirement Program. Under the Enhancement Plan specific appointed employees will be entitled to receive retirement benefits of 3% at age 55 or age 50 as well as medical and disability benefits upon retirement.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 10 - PENSION PLANS (Continued)

Effective September 1, 2001, the City adopted a Money Purchase Plan for a limited group of employees and appointees as a part of the City Retirement Program, which includes the Housing Authority and Alameda P&T. The employees include all department directors. The appointees include the City Clerk and the City Attorney. Under the Money Purchase Plan, the employer contributes 1% of the individual's salary and the employee contributes a mandatory 2% of their salary. This plan is qualified under Section 401(a) of the Internal Revenue Code. Each participant has a plan account to which contributions are made. Plan benefits are based on the total amount of money in the account at retirement. Since the assets held under these plans are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements.

NOTE 11 - RISK MANAGEMENT

The City, the Housing Authority and Alameda P&T manage risk by participating in the public entity risk pools described below and by retaining certain risks.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these risk pools are not the City's responsibility.

A. Risk Coverage

The City and ARRA are members of the California Joint Powers Risk Management Authority (CJPRMA) which covers general liability claims up to \$25,000,000. The City and ARRA both have self-insured retention of \$500,000 per claim. Once the self-insured retention is met CJPRMA becomes responsible for payment of all claims up to the limit. During the fiscal year ended June 30, 2007, the City contributed \$793,828 for coverage during the current year and received a refund of \$148,225 of prior year excess contributions.

The City, Alameda P&T and ARRA are members of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) which covers workers' compensation claims up to statutory limits. The City, Alameda P&T and ARRA have self-insured retention of up to \$250,000 per claim. During the fiscal year ended June 30, 2007, the City, Alameda P&T and ARRA contributed \$491,645, \$110,973, and \$0 respectively, for current year coverage.

The contributions made to each risk pool equal the ratio of their respective payrolls to the total payrolls of all entities participating in the same layer of each program, in each program year. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

The Housing Authority is a member of the Housing Authorities Risk Retention Pool (HARRP) which covers property liability claims up to \$65,000,000 after a \$1,000 deductible per claim, as well as general liability claims to \$2,000,000 and auto liability claims to \$1,000,000, neither of which require a deductible. During the fiscal year ended June 30, 2007 the Authority contributed \$55,379 for current year coverage.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 11 - RISK MANAGEMENT (Continued)

The Housing Authority is a member of the California Housing Workers' Compensation Authority (CHWCA) which covers workers' compensation claims up to statutory limits. The Housing Authority is not subject to any deductible under this coverage. During the fiscal year ended June 30, 2007 the Housing Authority contributed \$116,936 for current year coverage.

The Alameda P&T has purchased commercial insurance against general liability claims. This policy has a self-insured retention of \$1,000,000.

The following types of loss risks are covered by the above authorities under the terms of their respective joint-powers agreements and through commercial insurance policies as follows:

| Type of Coverage | Coverage Limits | | |
|--|-------------------|-------------------|--------------|
| | City | Housing Authority | Alameda P&T |
| Liability | \$25,000,000 | \$3,000,000 | \$35,000,000 |
| Auto - Physical damage | Actual Cash Value | 2,000,000 | 1,500,000 |
| Workers' Compensation | Statutory | Statutory | Statutory |
| All Risk Fire & Property except earthquake and flood | Replacement Cost | 10,000,000 | 300,000,000 |
| Boiler & Machinery | Replacement Cost | | 20,000,000 |
| Computer Software and Police Vehicle Computers | 5,660,000 | | 5,320,000 |

B. Insurance Internal Service Funds

The Governmental Accounting Standards Board (GASB) requires municipalities to record their liability for uninsured claims and to reflect the current portion of this liability as an expenditure in their financial statements. As discussed above, the City has coverage for such claims, but it has retained the risk for the deductible, or uninsured portion of these claims.

The City's liability for uninsured general liability claims, including claims incurred but not reported is reported in the City's Risk Management Insurance Internal Service Fund. The liability is based on an independent actuarial study prepared biennially and was computed as follows for the years ended June 30:

| | 2007 | 2006 |
|--|--------------------|------------------|
| Beginning balance | \$946,865 | \$1,557,767 |
| Liability for current fiscal year claims | 109,573 | 641,667 |
| Increase (decrease) in estimated liability for prior year claims | 154,794 | (1,183,054) |
| Claims paid in current year | (25,390) | (69,515) |
| Ending balance | <u>\$1,185,842</u> | <u>\$946,865</u> |

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 11 - RISK MANAGEMENT (Continued)

The change in the Workers' Compensation Insurance Internal Service Fund's claims liability, including claims incurred but not reported as estimated by the City's Risk Manager, is based on historical trend information provided by its third party administrators and was computed as follows at June 30:

| | 2007 | 2006 |
|--|--------------------|--------------------|
| Beginning balance | \$5,956,453 | \$5,236,498 |
| Liability for current fiscal year claims | 762,536 | 972,871 |
| Increase (decrease) in estimated liability for prior year claims | (2,763,966) | 1,855,023 |
| Claims paid in current year | 1,919,558 | (2,107,939) |
| Ending balance | <u>\$5,874,581</u> | <u>\$5,956,453</u> |

The City has not significantly reduced its insurance coverage from the prior year. Furthermore, settlements have not exceeded insurance coverage for the past three fiscal years.

NOTE 12 – ALAMEDA P&T JOINT VENTURES

A. General

Alameda P&T participates in joint ventures through Joint Powers Authorities (JPAs) established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these JPAs exercise full powers and authorities within the scope of the related Joint Powers Agreement, including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Obligations and liabilities of the JPAs are not those of Alameda P&T and the other participating entities unless assumed by them.

Each JPA is governed by a board consisting of representatives from each member agency. Each board controls the operations of its respective JPA, including selection of management and approval of operating budgets, independent of any influence by member agencies beyond their representation on the board.

Alameda P&T is a member of NCPA, a joint powers agency which operates under a joint powers agreement among 18 public agencies. The purpose of NCPA is to use the combined strength of its members to purchase, generate, sell and interchange electric energy and capacity through the acquisition and use of electrical generation and transmission facilities, and to optimize the use of those facilities and the member's position in the industry. Each agency member has agreed to fund a pro rata share of certain assessments by NCPA and certain members have entered into take-or-pay power supply contracts with NCPA. While NCPA is governed by its members, none of its obligations are those of its members unless expressly assumed by them.

Amounts paid by Alameda P&T to NCPA during the years ended June 30, 2007 and 2006 for purchased power were \$27,729,141 and \$25,859,213, respectively. Amounts paid reflect that NCPA invoiced amounts include payments received by NCPA from the Certificates of Participation 2000AT trustee for Alameda P&T's costs.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 12 – ALAMEDA P&T JOINT VENTURES (Continued)

Alameda P&T receives no income from NCPA, and does not participate in all of its projects. Further, NCPA does not measure or determine Alameda P&T's equity in NCPA as a whole. NCPA reports only Alameda P&T's share of its General Operating Reserve, comprised of cash and investments, and Alameda P&T's share of those Projects in which Alameda P&T is a participant. These amounts are reflected in the financial statements as Equity in Certain NCPA Projects and Reserve.

Effective July 1, 1998, Alameda P&T restated its Retained Earnings to include its equity in NCPA projects and reserve, and its Statement of Revenues and Expenses to include the effects of changes in its equity in NCPA projects and reserve. These changes are set forth below:

| | Fiscal Year Ended June 30 | |
|-------------------------------------|---------------------------|---------------------|
| | 2007 | 2006 |
| Beginning balance | \$16,198,069 | \$13,213,781 |
| Increase in equity in NCPA projects | 2,226,928 | 2,984,288 |
| Ending balance | <u>\$18,424,997</u> | <u>\$16,198,069</u> |

Alameda P&T's interest in NCPA Projects and Reserve, as computed by NCPA, is set forth below.

| | June 30 | |
|---|---------------------|---------------------|
| | 2007 | 2006 |
| General Operating Reserve | \$15,915,878 | \$13,838,260 |
| Associated Member Services | 285,497 | 285,498 |
| Net book value of amounts contributed to fund | | |
| Alameda P&T's share of NCPA power projects: | | |
| Geothermal Projects/Power Line | 1,255,049 | 1,184,385 |
| Calaveras Hydroelectric Project | 891,334 | 539,705 |
| Combustion Turbine Project No. 1 | 7,416 | 61,588 |
| Combustion Turbine Project No. 2 | 69,823 | 288,633 |
| | <u>\$18,424,997</u> | <u>\$16,198,069</u> |

The General Operating Reserve represents Alameda P&T's portion of funds which resulted from the settlement in prior years of issues with financial consequences and reconciliations of several prior years' budgets for programs. These funds are available on demand and earn interest, but Alameda P&T has left them with NCPA as a reserve against contingencies identified by NCPA.

Members of NCPA may participate in an individual project of NCPA without obligation for any other project. Member assessments collected for one project may not be used to finance other projects of NCPA without the member's permission.

B. Projects in which Alameda P&T is a Participant

Geothermal Projects

A purchased power agreement with NCPA obligates Alameda P&T for 17.05407% of the debt service for two NCPA 110-megawatt geothermal steam powered generating plants, Plant Number 1 and Plant Number 2 located in the Geysers area in Northern California. Alameda P&T is obligated to pay 16.8825% of the operating costs of both plants.

NOTE 12 – ALAMEDA P&T JOINT VENTURES (Continued)

NCPA has continued to monitor the geothermal steam production wells while pursuing alternatives for improving and extending steam field reservoir performance, including supplemental water reinjection, plant equipment modifications, and changes in operating methodology. NCPA, along with other steam field operators, has observed a substantial increase in steam production in the vicinity of reinjection wells and has evaluated a number of alternatives to increase water reinjection at strategic locations. NCPA, together with other steam developers and the Lake County Sanitation District, has completed the construction of a wastewater pipeline project that greatly increased the amount of water available for reinjection.

Based on an internal assessment of the melded costs of power from the Geothermal Project and all other resources available to the members, NCPA believes its members will continue to be able to operate their electric utilities on a competitive basis, while meeting all electric system obligations including those to NCPA. In January 1996, NCPA issued \$167,940,000 (1996 Refunding Series B), and \$5,420,000 (1996 Taxable Series C) in variable rate revenue bonds, the proceeds of which were used to refund a portion of the 1987 Refunding Series A Revenue Bonds. In August 1998, NCPA remarketed \$121,590,000 (1996 Refunding Series A) of revenue bonds changing the interest rate from a weekly interest rate to a long-term rate. Alameda P&T is obligated to pay its contractual share of the debt until it is fully satisfied, regardless of resulting cost or availability of energy. At June 30, 2007, the book value of this Project's plant, equipment and other assets was \$144,795,307 while its long-term debt totaled \$76,490,554, and other liabilities totaled \$31,717,565. Alameda P&T's share of the Project's long-term debt and other liabilities amounted to \$18,453,921 at that date.

Geothermal Public Power Line

In 1983, NCPA, Sacramento Municipal Utility District, the City of Santa Clara and the Modesto Irrigation District (joint owners) initiated studies for a Geothermal Public Power Line (GPPL) which would carry power generated at several existing and planned geothermal plants in the Geysers area to a location where the joint owners could receive it for transmission to their load centers. NCPA has an 18.5% share of this Project and Alameda P&T has a 30.359% participation in NCPA's share. In 1989, the development of the proposed Geothermal Public Power Line was discontinued because NCPA was able to contract for sufficient transmission capacity to meet its needs in the Geysers. However, because the project financing provided funding for an ownership interest in a PG&E transmission line, a central dispatch facility and a performance bond pursuant to an Interconnection Agreement with PG&E, as well as an ownership interest in the proposed GPPL, NCPA issued \$16,000,000 in long-term, fixed-rate revenue bonds in November 1989 to defease the remaining variable rate refunding bonds used to refinance this project. In December 1998, NCPA issued \$9,920,000 in fixed rate revenue bonds, the proceeds of which were used to refund outstanding transmission project revenue bonds and to pay costs of issuance of the debt. Alameda P&T is obligated to pay its 30.359% share of the related debt service, but debt service costs are covered through NCPA billing mechanisms that allocate the costs to members based on use of the facilities and services.

At June 30, 2007, the book value of this Project's plant, equipment and other assets was \$3,346,061 while its long-term debt totaled \$2,523,170, and other liabilities totaled \$822,897. Alameda P&T's share of the Project's long-term debt and other liabilities amounted to \$1,015,832 at that date.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 12 – ALAMEDA P&T JOINT VENTURES (Continued)

Calaveras Hydroelectric Project

In July 1981, NCPA agreed with Calaveras County Water District to purchase the output of the North Fork Stanislaus River Hydroelectric Development Project, during the initial 50-year Federal Energy Regulatory Commission license period, and to finance its construction. Debt service payments by NCPA began in February 1990 when the project was declared substantially complete and power was delivered to the participants. In April 2002, NCPA issued \$86,620,000 (2002 Refunding Series A for \$43,310,000 and 2002 Refunding Series B for \$43,310,000) in variable rate demand bonds for the purpose of providing funds, together with available funds, to refund a portion of the bonds issued in 1992 in order to realize debt service savings. In March 2003, NCPA issued \$55,040,000 (2003 Refunding Series A for \$49,130,000 and 2003 Refunding Series B for \$5,910,000) in variable rate demand bonds for the purpose of providing funds, together with other available moneys, to refund a portion of NCPA's outstanding Hydroelectric Project Number One Revenue Bonds, 1993 Refunding Series A, in order to realize debt service savings. Under its power purchase agreement with NCPA, Alameda P&T is obligated to pay 10% of this Project's debt service and operating costs. At June 30, 2007, the book value of this Project's plant, equipment and other assets was \$508,146,517 while its long-term debt totaled \$473,191,061 and other liabilities totaled \$22,942,565. Alameda P&T's share of the Project's long-term debt and other liabilities amounted to \$49,613,363 at that date.

Combustion Turbine Project No. 1

In October 1984, NCPA financed a five-unit, 125-megawatt combustion turbine project. The project, built in three member cities including Alameda, began full commercial operation in June 1986, providing reserve and peaking power. In December 1989, NCPA issued \$68,958,257 in fixed rate revenue bonds, the proceeds of which were used to defease the bonds then outstanding. In December 1998, NCPA issued \$43,165,000 in fixed rate revenue bonds, the proceeds of which were used to refund outstanding revenue bonds and to pay costs of issuance of the debt. Under the NCPA power purchase agreement, Alameda P&T is obligated to pay 13.092% of this Project's debt service and operating costs. At June 30, 2007, the book value of this Project's plant, equipment and other assets was \$18,212,266 while its long-term debt totaled \$11,700,893 and other liabilities totaled \$4,372,886. Alameda P&T's share of the Project's long-term debt and other liabilities amounted to \$2,104,379 at that date.

Combustion Turbine Project No. 2 (Steam Injected Gas Turbine Project)

Alameda P&T is a participant in a 49.8 megawatt Steam Injected Gas Turbine project which was built under turnkey contract near the City of Lodi and declared substantially complete on April 23, 1996. In October 1992, NCPA issued \$152,320,000 of Multiple Capital Facilities Revenue Bonds to finance this project, a similar project for the Turlock Irrigation District in Ceres, and Lodi system facilities. In January 1999, NCPA issued \$67,875,000 in fixed rate revenue bonds to refund a portion of outstanding Capital Facilities Bonds and to pay debt service (consisting of interest only) on the 1999 Bonds through August 1, 2002 and a portion of the interest due on the 1999 Bonds on February 1, 2003, and to pay costs of the issuance of the debt. Under the NCPA power purchase agreement, Alameda P&T is obligated to pay 19.00% of the debt service and operating costs for the Lodi unit.

Alameda P&T's participation in procurement of natural gas for fuel for existing and new combustion turbine units was approved in 1993. Although there is currently no additional debt financing, Alameda P&T and NCPA have committed to long-term payments for gas transmission pipeline capacity, and entered a purchase contract for natural gas. Alameda P&T is obligated to pay 19.0%.

NOTE 12 – ALAMEDA P&T JOINT VENTURES (Continued)

At June 30, 2007, the book value of this Project's plant, equipment and other assets was \$67,749,862 while its long-term debt totaled \$64,277,009 and other liabilities totaled \$2,881,404. Alameda P&T's share of the Project's long-term debt and other liabilities amounted to \$12,760,098 at that date.

Graeagle Hydroelectric Project

Alameda P&T's participation in this small hydroelectric project was approved in 1993. Although this project does not involve any financing, it does involve a long-term contractual commitment to purchase the power produced by the project. Alameda P& T receives 50% of the power from this small hydroelectric project.

Morgan Stanley Power Purchase Contract

In April 2002, Alameda P&T entered into a contract with Morgan Stanley Capital Group (MSCG) for the delivery of power. From January 1 through March 31 and from October 1 through December 31 during each of the calendar years 2006-2014 MSCG has agreed to deliver 15 megawatts of power 24-hours per day.

Highwinds Project Power Purchase

In December 2004, Alameda P&T entered into a long-term power purchase agreement with PPM Energy, Inc. for power supplied by the Highwinds Project in Solano County, California. Alameda P&T will receive 6.17% of the output of the 162 megawatt project (nameplate rating) or 10 megawatts until June 30, 2028.

Landfill Gas Projects Power Purchase

During 2004 and 2006, Alameda P&T entered into four long-term power purchase agreement for power supplied by multiple existing and proposed generating facilities. These facilities utilize combustible gaseous emissions from landfills, located in or near the San Francisco Bay area to create power. Alameda P&T began receiving nearly 4 megawatts of base-load power from the first 2 facilities in early 2006. An additional 7 megawatts of base-load output from the 2 facilities under development is expected to begin when they become operational in early 2008.

California Electric Industry Restructuring

In September 1996, the California State legislature signed into law Assembly Bill 1890 (AB 1890) deregulating the electric power supply market and restructuring the electric power industry in California. While the majority of the legislation was directed at investor-owned utilities (IOUs), Alameda P&T and other California publicly owned utilities were greatly affected by the restructuring of markets and the ensuing wild fluctuations in prices that resulted from a deficiency in generating capacity and an immature and flawed market structure.

Because Alameda P&T has its own generating resources and is not dependent on the wholesale market to purchase power, it was not negatively impacted by these price swings.

Proposals by the California Independent System Operator to redesign the wholesale electricity market in California are now under development, and in some cases being implemented. These proposals contain their own set of risks and uncertainties for Alameda P&T and the other NCPA members.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 12 – ALAMEDA P&T JOINT VENTURES (Continued)

NCPA plays an active role in protecting members' contractual rights in Federal Energy Regulatory Commission (FERC), California Public Utilities Commission (CPUC), and other legislative/regulatory proceedings. Priorities related to industry restructuring include the preservation of local control authority for publicly owned utilities, assuring open and fair access to wholesale markets and the transmission grid, and maintaining members' preference access to power from the Central Valley Project and Western Area Power Administration.

NCPA's Generation Operations and Power Management Business Units work in tandem to optimize system operations and identify market power sales/purchase opportunities.

NCPA Financial Information

NCPA's financial statements can be obtained from NCPA, 180 Cirby Way, Roseville, CA 95678.

Transmission Agency of Northern California (TANC)

Alameda P&T is a member of a joint powers agreement with 14 other entities in TANC. TANC's purpose is to provide electrical transmission or other facilities for the use of its members. While governed by its members, none of TANC's obligations are those of its members unless expressly assumed by them. Alameda P&T is obligated to pay 1.333% of TANC's debt-service and operating costs related to the California-Oregon Transmission Project (COTP) and 1.6424% of the tax exempt portion of the commercial paper program. Alameda P&T is also obligated to pay for and receive service from a portion of the South of Tesla transmission under an agreement between TANC and Pacific Gas & Electric Company.

According to the 1985 Project Agreement with TANC for the development of the COTP and subsequent related project agreements, Alameda P&T is obligated to pay its share of the project's costs, including debt service and is entitled to the use of a percentage of the project's transmission or transfer capacity. TANC has issued Revenue Bonds for \$371,680,000 and Tax Exempt Commercial Paper notes for \$30,270,000 as of June 30, 2007. Alameda P&T's share of this debt is \$4,954,494 and \$429,332, respectively.

TANC Financial Information

TANC's financial statements can be obtained from TANC, P.O. Box 15129, Sacramento, CA 95851.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

A. City

The City (through the Community Improvement Commission) has an agreement extending through 2014 under which it refunds a portion of Alameda Marina Village Assessment District incremental property taxes to the Alameda Marina Village property owners as a partial offset of their assessment liability. These refunds have been reported as housing and community services expenditures in the West End Community Improvement Commission Special Revenue Fund.

On January 18, 1989, the Commission and the Housing Authority of the City of Alameda entered into an agreement to provide affordable housing through the Independence Plaza development. Under the agreement, the Commission agreed to provide construction funding, a rental subsidy and a subsidy of the pro-rata share of the operating deficit to the Housing Authority. The agreement will end in July 2024. These rental subsidies have been reported in the West End Community Improvement Project Area Low and Moderate Income Housing Special Revenue Fund.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 13 - COMMITMENTS AND CONTINGENCIES (Continued)

The City participates in several Federal and State grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act amendments of 1996 and applicable State requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no pending litigation which is likely to have a material adverse effect on the financial position of the City.

B. *Alameda P&T*

Under the terms of its NCPA and TANC joint venture agreements, Alameda P&T is liable for a portion of the bonded indebtedness issued by these agencies under take-or-pay or similar agreements, as discussed in Note 11. Alameda P&T's estimated share of such debt outstanding at June 30, 2007 was \$89,331,419. Under certain circumstances, Alameda P&T may also be responsible for a portion of the costs of operating these entities. Under certain circumstances, such as default or bankruptcy of other participants, Alameda P&T may also be liable to pay a portion of the debt of these joint ventures on behalf of the other participants. These "step up" provisions are generally capped at a 25 percent increase.

Alameda P&T is a defendant in a number of lawsuits which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, the outcome of these actions cannot be predicted with certainty. In the opinion of the City Attorney, the outcome of these actions will not have a material adverse effect on the financial position of Alameda P&T.

On August 18, 2004, City of Alameda Ordinance No. 2930 granted a five-year extension of non-exclusive cable communication franchise to Alameda P&T. Alameda P&T has finished with its construction of a cable communications system within the City of Alameda to provide cable television and other communications services to the City's residents.

In November 1999, PG&E filed with FERC its Schedule Coordination Services (SCS) Tariff, alleging that PG&E was entitled to collect from Alameda P&T and other users certain costs imposed by the ISO on PG&E for the period April 1998 to August 2002. On June 1, 2004, PG&E began billing Alameda P&T for these costs through NCPA. NCPA placed these disputed funds into an escrow account. These costs were billed over a twelve-month period, and accumulated to approximately \$3.1 million. On May 23, 2005, PG&E filed a settlement that was reached with NCPA resolving the dispute. Alameda P&T's share of the settlement amount was approximately \$1.5 million which has been paid to PG&E. NCPA refunded approximately \$1.6 million of escrow funds to Alameda P&T.

In June 2007, Alameda P&T entered into two lease agreements with the Alameda Reuse and Redevelopment Authority. The lease terms for each agreement are for two years beginning June 1, 2007 and expiring on May 30, 2009. Alameda P&T will occupy the premises under the terms of non-cancelable leases which call for minimum monthly payments of \$1,053 and \$10,780 respectively.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 13 - COMMITMENTS AND CONTINGENCIES (Continued)

C. *Housing Authority*

On January 18, 1989, the Commission and the Housing Authority of the City of Alameda entered into an agreement to provide affordable housing through the Independence Plaza development. Under the agreement, the Commission agreed to provide construction funding, a rental subsidy and a subsidy of the pro-rata share of the operating deficit to the Housing Authority. The agreement will end in July 2024. These rental subsidies have been reported in the West End Community Improvement Project Area Low and Moderate Income Housing Special Revenue Fund.

NOTE 14 – DEVELOPMENT AGREEMENTS

A. *Bayport/Alameda Landing*

The Community Improvement Commission (CIC) and Master Developer (as discussed on Note 11 below) entered into a Disposition and Development Agreement (DDA) dated June 16, 2000, as amended, to redevelop the former U.S. Navy East Housing, Fleet Industrial Supply Center Annex (FISCA), and Fleet Industrial Supply Center (FISC). Pursuant to the DDA, the Commission agreed to convey to Master Developer, and Master Developer agreed to acquire from the CIC, the Property, in Phases, under the Terms and Conditions set forth in the DDA. In December 2006, The CIC approved an amendment to the 2000 DDA reducing the scope of that DDA to East Housing and FISCA only (the Bayport Project) and approved a new DDA for the FISC property (the Alameda Landing Project).

Bayport 1 involves the development of approximately 115 acres of land at the former East Housing and FISCA property. Approved land uses include the development of approximately 586 units of new residential housing, a joint use community park and a school. The inclusion of a 25 percent affordable housing requirement is part of a Settlement Agreement by and between the City, Renewed Hope Housing Advocates and Arc Ecology. Of the 586 units to be developed, 58 of the 495 new homes at Bayport will be affordable to moderate income households and approximately 91 units of new rental housing will be developed for very-low and low-income households. It is estimated that Bayport will generate approximately \$28.5 million in net revenues from land sales proceeds; will generate a tax allocation bonding capacity of approximately \$14 million supported by new tax increment generated by the Project; and will generate \$35 million in residential profit participation and approximately \$5 million in reimbursements. These revenues will be used to pay for the Commission's obligations under the DDA, which total approximately \$71 million and include demolition and the construction of major backbone infrastructure to support the Bayport project. At build-out, which is projected at the end of 2008, it is estimated that the total assted value of the Bayport residential project will total approximately \$400 million.

Alameda Landing is a mixed-use commercial/residential project which consists of 300 residential units, of which 25 percent are affordable units, 300,000 square feet of retail space, 400,000 square feet of office space, parks and open space and associated infrastructure.

B. *Bridgeside Shopping Center Project.*

In fiscal year 2004, the City entered into an agreement with Regency Realty Group, Inc. (Developer) to develop the Bridgeside Shopping Center Project into a new approximately 108,000 square foot shopping center consisting of both retail space and office space. As of June 30, 2007, the Developer had completed construction of the project. In addition, as part of the Project, the Developer constructed a gas station and a car wash. Under this agreement, the Developer must expend construction costs of no less than \$10 million.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 14 – DEVELOPMENT AGREEMENTS (Continued)

As part of the agreement, the Developer purchased the shopping center from the City for the price paid to the owner by the CIC, plus \$170,000 in acquisition-related expenses. In return, the City is to reimburse the Developer up to \$1,000,000 for certain acquisition costs in excess of \$7,000,000. Groundbreaking was held on November 14, 2005. The Center held a grand opening February 21, 2007, for the center's major anchor tenant, Nob Hill Grocery Store. The Nob Hill gas station opened in summer 2007. The center is currently about 80% leased.

C. *Downtown Historic Theatre Complex and Parking Garage Project.*

On October 16, 2004, the Community Improvement Commission entered into a Disposition and Development Agreement (DDA) with MovieTecs Incorporated for the development of the Historic Alameda Theatre and related Cineplex and parking garage. The developer entered into an Option Purchase Agreement for one parcel of land to be used as the site of the project on Central/Oak in Alameda. As part of the DDA, the Community Improvement Commission has entered into a loan agreement with Alameda Entertainment Associates L.P., as discussed on Note 4H. In fiscal year 2005, the Community Improvement Commission purchased the land for the site of the project for \$811,120. In fiscal year 2006, the City acquired the Historic theatre by eminent domain. The design and construction contracts were signed in August 2006 and the project is under construction.

NOTE 15 – FLEET INDUSTRIAL SUPPLY CENTER (FISC)

A. *Background*

The former East Housing land was transferred from the Navy to the Alameda Reuse and Redevelopment Authority (ARRA), then from ARRA to CIC. FISC and FISCA property, via special legislation, was transferred to the City and the City subsequently transferred it to CIC.

During the proposal process, the City invited competing developers to submit proposals for the East Housing property in addition to their original proposals. In February of 1998, after considering each of the development proposals submitted, the City entered into exclusive negotiations with Catellus Development Corporation with the intent that they serve as the Master Developer for the entire approximately 215-acre East Housing, FISC and FISCA property. The City considered action on the DDA that established transfer terms of the former Navy property from the CIC to the Master Developer.

B. *Description of the Parcels*

The parcels that the CIC will transfer to the Master Developer consist of the former East Housing, FISCA and FISC properties. These properties are bounded by Main Street to the West, the College of Alameda to the East, Ralph Appezato Parkway (formerly Atlantic Avenue) to the South, and the U.S. Coast Guard housing area and Oakland/Alameda Inner Harbor to the north.

As of June 30, 2007, 438 of 485 residential lots in the former East Housing and FISCA have been transferred to the Master Developer. The remaining 47 residential lots in the former East Housing and FISCA property were transferred to the Master Developer at the end of June 2007. The remaining land in the former FISC property has been re-entitled, pursuant to an amended Disposition Agreement. This property has been re-entitled for a mix of commercial, retail and development uses.

CITY OF ALAMEDA
Notes to Basic Financial Statements

NOTE 15 – FLEET INDUSTRIAL SUPPLY CENTER (FISC) (Continued)

C. *Quitclaim Deed and Environmental Restrictions*

On July 17, 2000, the United States of America, acting by and through the Department of the Navy, conveyed approximately 147 acres of property comprising the FISC and FISCA to the City of Alameda. The Navy property was closed pursuant to the Defense Base Closure and Realignment Act of 1990 and was no longer required for military purposes. Pursuant to the terms of the Quitclaim Deed, the City of Alameda agreed to accept conveyance of the property subject to all covenants, conditions, restrictions, easements, rights-of-way, reservations, rights, agreements and encumbrances of record. The property included building and structures that contain lead-based paints and asbestos. Chlordane (a pesticide) was also found in and around foundations of the East Housing properties. Those property interests were subsequently transferred to the CIC. In order to assure that the goals of redevelopment were achieved, the CIC purchased an environmental insurance policy. With the policy in place, the CIC has been able to move forward with the remediation of hazardous materials.

This Page Left Intentionally Blank

| |
|--|
| MAJOR GOVERNMENTAL FUNDS, OTHER THAN GENERAL FUND AND SPECIAL REVENUE FUNDS |
|--|

CAPITAL IMPROVEMENT PROJECTS FUND

This fund accounts for monies for major capital improvement projects not provided for in one of the other capital projects funds.

CITY OF ALAMEDA
CAPITAL IMPROVEMENT PROJECTS
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

| | Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------|-------------|---|
| REVENUES: | | | |
| Revenue from other agencies | \$2,872,313 | \$5,378,612 | \$2,506,299 |
| Charges for current services | | 45,458 | 45,458 |
| Use of money and property | | 232,104 | 232,104 |
| Others | (96,000) | 19,644 | 115,644 |
| Total Revenues | 2,776,313 | 5,675,818 | 2,899,505 |
| EXPENDITURES: | | | |
| Capital outlay | 16,947,656 | 11,995,444 | 4,952,212 |
| Debt service: | | | |
| Principal | | 6,256 | (6,256) |
| Interest and fiscal charges | | 566 | (566) |
| Total Expenditures | 16,947,656 | 12,002,266 | 4,945,390 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (14,171,343) | (6,326,448) | 7,844,895 |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from issuance of loan | 1,065,000 | | 1,065,000 |
| Transfers in | 14,622,724 | 6,406,546 | 8,216,178 |
| Transfers in from the City | (614,001) | (1,469,462) | 855,461 |
| Total other financing sources (uses) | 15,073,723 | 4,937,084 | 10,136,639 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | \$902,380 | (1,389,364) | (\$2,291,744) |
| Beginning fund balance | | 8,825,529 | |
| Ending fund balance | | \$7,436,165 | |

| |
|-------------------------------------|
| NON-MAJOR GOVERNMENTAL FUNDS |
|-------------------------------------|

SPECIAL REVENUE FUNDS:**LIBRARY**

This fund accounts for revenues received from the \$0.0175 library tax, library grants and General Fund monies transferred for the Alameda Free Library operations.

GAS TAX

This fund accounts for revenues and expenditures received from the State of California under Street and Highways Code Section 2105, 2106, 2107 and 2107.5. The allocations must be spent for street maintenance and construction and a limited amount for engineering.

TRANSPORTATION IMPROVEMENT

This fund accounts for revenues received under Proposition 42, Traffic Congestion Relief program. The allocation must be spent for Street and Highway maintenance, rehabilitation, reconstruction and storm damage repairs.

TRAFFIC SAFETY

This fund accounts for revenues from fines, forfeitures and penalties. Cities share with the County all fines collected upon conviction of a misdemeanor or an infraction in any municipal or judicial court and bail moneys forfeited following a misdemeanor or infraction committed within City boundaries.

COUNTY MEASURE B

This fund accounts for the City's share of the proceeds of a one-half cent sales tax increase approved by the voters in November 2000. The program is administered by the Alameda County Transportation Improvement Authority. The tax provides funds for the maintenance of local streets, roads, bike path and pedestrian walkway, Ferry and Para transit operations.

CHRP/LEAD

This fund accounts for funds received from the State of California Department of Housing and Community Development for housing rehabilitation program.

TIDELANDS

This fund accounts for revenues received from tidelands property leases. Leases are for state tidelands properties delegated to local agencies for management and control.

NARCOTICS ASSET SEIZURE

This fund accounts for the City's share from the sale of confiscated assets of convicted felons. These funds are used for specified police activities, i.e. debt service payments for the jail construction project.

SENIOR CITIZENS TRANSPORTATION ASSISTANCE

This fund accounts for the City of Alameda's senior transportation program, which provides door-to-door transportation for the frail, elderly and disabled individuals. Its primary revenue source is County Measure B funds.

| |
|---|
| NON-MAJOR GOVERNMENTAL FUNDS (Continued) |
|---|

DWELLING UNIT

This fund accounts for revenues from park dedication fees required from all new construction. Monies are accumulated and then appropriated for park development.

PARKING METER

This fund accounts for revenues collected from parking meters and the expenditure of these revenues for parking and transportation related projects.

COMMERCIAL REVITALIZATION

This fund accounts for grant funds intended for the City's commercial revitalization programs.

COMMUNITY DEVELOPMENT BLOCK GRANT

This fund accounts for grant funds received under the Community Development Act of 1974 for activities approved and subject to federal regulations.

HOME FUND

Established to account for funds provided by the U.S. Department of Housing and Urban Development (HUD) through the Federal Home Investment Partnerships Program (HOME). HOME funds can be used for acquisition, conversion, new construction and rehabilitation of single-and/or multiple-family housing.

REHABILITATION REPAYMENT

This fund accounts for loan repayments of low interest and subsidized loan programs. The repayments are used to make additional loans.

HUMAN SERVICES

This fund accounts for the Social Service Human Relations Board's General Fund allocation.

VEHICLE REGISTRATION

This fund accounts for revenues and expenditures associated with AB 434 Fund from the Bay Area Air Quality Management District and Alameda County Congestion Management Agency for local traffic management programs.

AFFORDABLE HOUSING

This fund accounts for housing impact contributions for the purpose of increasing and improving the City of Alameda's supply of low-and-moderate-income housing.

GARBAGE SURCHARGE

This fund accounts for the garbage surcharge charged to commercial and residential garbage customers.

BAYPORT MUNICIPAL SERVICES DISTRICT

This fund accounts for the special assessments and related expenditures for various municipal services provided in Community Facilities District No. 03-1 of the City of Alameda.

| |
|---|
| NON-MAJOR GOVERNMENTAL FUNDS (Continued) |
|---|

ATHLETIC RECREATION

This fund accounts for revenues and expenditures of the various City of Alameda-recreation-fee programs.

ISLAND CITY MAINTENANCE ASSESSMENT DISTRICT 84-2

This fund accounts for the special assessments and related expenditures for the various landscaping and maintenance areas throughout the City.

WASTE REDUCTION SURCHARGE

This fund accounts for revenues and expenditures related to the waste management and recycling programs.

CURBSIDE RECYCLING

This fund accounts for revenues and expenditures related to curbside recycling.

HOUSING DEVELOPMENT

This fund accounts for Housing Development Division's Housing Authority related revenue and expenditures.

PARKING IN-LIEU

This fund accounts for receipts and expenditures of funds from the City's in-lieu-parking fee charged against certain properties. Collections may be expended only for the purpose of providing parking projects.

DIKE MAINTENANCE

This fund accounts for cash and investments collected from property owners for the maintenance of the Bay Farm Island Dike and for improvements made on behalf of the assessment district.

MARINA COVE MAINTENANCE DISTRICT 01-01

This fund accounts for cash and investments collected from property owners for the maintenance of the Marina Cove and for improvements made on behalf of the assessment district.

TSM/TDM

This fund accounts for the collection of traffic mitigation fees from developers to build up funds for the implementation of Transportation System Management/Transportation Demand Management (TSM/TDM).

PUBLIC ART

This fund accounts for the collection of a Public Art fee from developers for the acquisition and installation of Public Art on the development site.

HISTORICAL ADVISORY BOARD

This fund accounts for all fines, fees or other monies arising out of the administration of the City Historical Advisory Board and their expenditures.

| |
|---|
| NON-MAJOR GOVERNMENTAL FUNDS (Continued) |
|---|

DEBT SERVICE FUNDS:**POLICE BUILDING CERTIFICATES OF PARTICIPATION**

The certificates were issued in July 1996, to finance the Police Building project and refinance the 1990 Certificates of Participation. The debt will be paid from allocations from the Narcotics Asset Seizure Special Revenue Fund and the General Fund.

LIBRARY/GOLF CERTIFICATES OF PARTICIPATION

Certificates were issued in December 1996 to finance the seismic upgrade and renovation of the Carnegie Library building and certain golf course improvements. The debt will be paid from any source of available funds of the City pursuant to a lease agreement between the City of Alameda and the Alameda Public Improvement Corporation.

2002 CITY HALL REFINANCING CERTIFICATES OF PARTICIPATION

This fund accounts for the proceeds from the 2002 Certificates of Participation (City Hall Refinancing Project). The proceeds were used to repurchase the City's 1995 Certificates of Participation, which were issued to finance the City Hall and certain Fire Station Facilities Seismic Upgrade and Renovation Projects.

2003 LIBRARY BONDS

General obligation bonds issued in March 2003 to finance the acquisition and construction of a new main library and improvements to two library branches. The repayment of the bonds is secured by voter approved Measure "O" property tax.

COMMUNITY IMPROVEMENT COMMISSION SUBORDINATE BONDS

These bonds were issued on March 13, 2002 to finance various housing and other redevelopment purposes in accordance with the amended Community Improvement Plan for the Business and Waterfront Improvement Project. These bonds are secured by a first pledge of and lien on all of the tax increment revenues except for any parity obligations.

COMMUNITY IMPROVEMENT COMMISSION 2003 TAX ALLOCATION REFUNDING BONDS BWIP

The 2003 CIC Tax Allocation Refunding Bonds were issued in October 2003 to refund the CIC Business Waterfront Improvement Project (BWIP) Tax Allocation Bonds 2002, Series A and the Alameda Community Facilities District No. 4 Special Tax Bonds, Series 2002-A. These Bonds are secured by a first pledge of and lien on all of the tax increment revenues generated in the project area except for any parity obligations.

COMMUNITY IMPROVEMENT COMMISSION 2003 TAX ALLOCATION BONDS

The 2003 CIC Tax Allocation Bonds were issued December 2003 to finance certain development projects, repaid an interfund loan from the City, and fulfill certain obligations per an Owner's Participation Agreement. These Bonds are secured by a first pledge of and lien on all of the tax increment revenues generated in the project area except for any parity obligations.

| |
|---|
| NON-MAJOR GOVERNMENTAL FUNDS (Continued) |
|---|

ALAMEDA POINT IMPROVEMENT PROJECT 2003 REVENUE BONDS

The 2003 Demand Revenue Bonds were issued in December 2003 by the Alameda Public Financing Authority to refund the 1999 ARRA Revenue Bonds and to finance professional land use planning and other activities required in the redevelopment process at Alameda Point. The debt will be repaid solely from rental revenues paid to ARRA.

HUD 108

This fund accounts for debt service for HUD 108 loan for Parking Garage Project.

CAPITAL PROJECTS FUNDS:

TRANSPORTATION IMPROVEMENT

This fund accounts for monies earmarked for the construction and improvements of traffic mitigation projects associated with the development of Bay Farm Island.

LIBRARY CONSTRUCTION

This fund accounts for the revenues and construction and acquisition costs of the new main library and the expansion of the Carnegie Library.

URBAN RUNOFF STORM DRAIN FEE

This fund accounts for revenues and expenditures associated with the City's compliance under the Alameda County Urban Runoff Clean Water Program.

COMMUNITY FACILITIES DISTRICT #1

The Community Facilities District #1 was established to finance the acquisition and construction of facilities within the CFD #1 District (Harbor Bay).

COMMUNITY FACILITIES DISTRICT #2

The Community Facilities District #2 (Lincoln property) at the Marina Village area was established to finance the construction and acquisition of public improvements.

HARBOR BAY ISLE 92-1 SPECIAL ASSESSMENT DISTRICT

The Harbor Bay Isle 92-1 Assessment District was established to finance the construction and acquisition of public improvements in the District.

MARINA VILLAGE 89-1 SPECIAL ASSESSMENT DISTRICT

The Marina Village 89-1 Assessment District was established to finance the construction and acquisition of public improvements in the District.

| |
|---|
| NON-MAJOR GOVERNMENTAL FUNDS (Continued) |
|---|

CITYWIDE DEVELOPMENT FEE

This fund accounts for revenues from citywide development impact fees required from certain new developments. Monies are used to mitigate the impacts on availability and condition of public facilities caused by these developments.

WASTEWATER CAPITAL RESERVE

This fund is required by the State Water Resources Control Board to insure the City has a funding source available for future expansion, major repair or replacement costs, and loan repayment related to the wastewater facilities.

OPEN SPACE IMPROVEMENT

This fund accounts for the deposit of a specified portion of the proceeds of the sale of land into a separate fund whose use would be determined by Council at a later time.

ALAMEDA POINTS IMPROVEMENT PROJECT 2003 REVENUE BONDS

This fund accounts for the Alameda Point major constructions and improvement projects financed through the 2003 Demand Revenue Bonds.

This Page Left Intentionally Blank

CITY OF ALAMEDA
NON-MAJOR GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2007

| | SPECIAL REVENUE FUNDS | | | | | |
|---|-----------------------|------------------|-------------------------------|----------------|---------------------|-----------------|
| | Library | Gas Tax | Transportation Improvement | Traffic Safety | County Measure B | CHRP LEAD |
| ASSETS | | | | | | |
| Cash and cash equivalents | \$127,191 | | \$45,623 | | \$4,535,024 | |
| Restricted cash and investments | | \$431,314 | | | | |
| Accounts receivable | 104,666 | 127,075 | | \$5,306 | 719,973 | 32,655 |
| Interest receivable | | | | | | |
| Loans receivable | | | | | | |
| Prepaid, deposits and bond discounts | | | | | | |
| Total Assets | <u>\$231,857</u> | <u>\$558,389</u> | <u>\$45,623</u> | <u>\$5,306</u> | <u>\$5,254,997</u> | <u>\$32,655</u> |
| LIABILITIES | | | | | | |
| Accounts payable | \$108,962 | | | | | \$450 |
| Accrued payroll | 29,328 | | | | | |
| Due to other funds | | | | \$4,240 | | 13,982 |
| Deferred revenue | | | | | | |
| Refundable deposits | | | | | | |
| Total Liabilities | <u>138,290</u> | | | <u>4,240</u> | | <u>14,432</u> |
| FUND EQUITY | | | | | | |
| Fund balances | | | | | | |
| Reserved for: | | | | | | |
| Capital improvement | | \$558,389 | | | \$5,254,997 | |
| Debt service | | | | | | |
| Low-and-moderate-income housing | | | | | | |
| Prepays, loans receivable, and advances to other funds | | | | | | |
| Unreserved: | | | | | | |
| Designated for: | | | | | | |
| Special Revenue Funds | | | | | | |
| Capital Projects Fund | | | | | | |
| Undesignated | 93,567 | | \$45,623 | \$1,066 | | 18,223 |
| Total Fund Balances | <u>93,567</u> | <u>558,389</u> | <u>45,623</u> | <u>1,066</u> | <u>5,254,997</u> | <u>18,223</u> |
| Total Liabilities and Fund Balances | <u>\$231,857</u> | <u>\$558,389</u> | <u>\$45,623</u> | <u>\$5,306</u> | <u>\$5,254,997</u> | <u>\$32,655</u> |

SPECIAL REVENUE FUNDS

| <u>Tidelands</u> | <u>Narcotics Asset Seizure</u> | <u>Senior Citizens Transportation Assistance</u> | <u>Dwelling Unit</u> | <u>Parking Meter</u> | <u>Commercial Revitalization</u> | <u>Community Development Block Grant</u> | <u>HOME Fund</u> |
|--------------------|--|--|--------------------------|--------------------------|--------------------------------------|--|----------------------|
| \$1,147,109 | | \$56,335 | \$203,228 | \$1,419,125 | \$1,298,885 | | |
| 12,500 | | | | 6,571 | | \$307,502 | |
| | | | | | 3,605 | | |
| | | | | 4,420 | 4,800 | | |
| <u>\$1,159,609</u> | | <u>\$56,335</u> | <u>\$203,228</u> | <u>\$1,430,116</u> | <u>\$1,307,290</u> | <u>\$307,502</u> | |
| | | \$30,121 | | | \$6,149 | \$92,673 | |
| | | 192 | | | 365 | 10,456 | |
| | \$42,561 | | | | | 204,373 | |
| | | | | | 25,712 | | |
| | 42,561 | 30,313 | | | 32,226 | 307,502 | |
| | | | | \$4,420 | 4,800 | | |
| <u>\$1,159,609</u> | <u>(42,561)</u> | <u>26,022</u> | <u>\$203,228</u> | <u>1,425,696</u> | <u>1,270,264</u> | | |
| <u>1,159,609</u> | <u>(42,561)</u> | <u>26,022</u> | <u>203,228</u> | <u>1,430,116</u> | <u>1,275,064</u> | | |
| <u>\$1,159,609</u> | | <u>\$56,335</u> | <u>\$203,228</u> | <u>\$1,430,116</u> | <u>\$1,307,290</u> | <u>\$307,502</u> | |

(Continued)

CITY OF ALAMEDA
NON-MAJOR GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2007

| | SPECIAL REVENUE FUNDS | | | | | |
|---|-----------------------------|-------------------|-------------------------|-----------------------|----------------------|---|
| | Rehabilitation Repayment | Human Services | Vehicle Registration | Affordable Housing | Garbage Surcharge | Bayport Municipal Services District |
| ASSETS | | | | | | |
| Cash and cash equivalents | \$721,024 | \$33,107 | \$40,219 | \$538,760 | \$681,434 | \$401,763 |
| Restricted cash and investments | | | | | | |
| Accounts receivable | 16,068 | | | 334 | 14,583 | 1,512 |
| Interest receivable | | | | | | |
| Loans receivable | 3,126,374 | | | 280,352 | | |
| Prepaid, deposits and bond discounts | | | | | | |
| Total Assets | <u>\$3,863,466</u> | <u>\$33,107</u> | <u>\$40,219</u> | <u>\$819,446</u> | <u>\$696,017</u> | <u>\$403,275</u> |
| LIABILITIES | | | | | | |
| Accounts payable | \$44,941 | | | \$1,525 | | |
| Accrued payroll | | \$703 | | 1,347 | | |
| Due to other funds | | | | | | |
| Deferred revenue | 3,126,374 | | | 280,352 | | |
| Refundable deposits | | | | | | |
| Total Liabilities | <u>3,171,315</u> | <u>703</u> | | <u>283,224</u> | | |
| FUND EQUITY | | | | | | |
| Fund balances | | | | | | |
| Reserved for: | | | | | | |
| Capital improvement | | | | | | |
| Debt service | | | | | | |
| Low-and-moderate-income housing | 692,151 | | | 536,222 | | |
| Prepays, loans receivable, and advances to other funds | | | | | | |
| Unreserved: | | | | | | |
| Designated for: | | | | | | |
| Special Revenue Funds | | | | | | |
| Capital Projects Fund | | | | | | |
| Undesignated | | 32,404 | \$40,219 | | \$696,017 | \$403,275 |
| Total Fund Balances | <u>692,151</u> | <u>32,404</u> | <u>40,219</u> | <u>536,222</u> | <u>696,017</u> | <u>403,275</u> |
| Total Liabilities and Fund Balances | <u>\$3,863,466</u> | <u>\$33,107</u> | <u>\$40,219</u> | <u>\$819,446</u> | <u>\$696,017</u> | <u>\$403,275</u> |

SPECIAL REVENUE FUNDS

| <u>Athletic Recreation</u> | <u>Island City Maintenance Assessment District 84-2</u> | <u>Waste Reduction Surcharge</u> | <u>Curbside Recycling</u> | <u>Housing Development</u> | <u>Parking In-Lieu</u> | <u>Dike Maintenance</u> | <u>Marina Cove Maintenance District 01-01</u> |
|--------------------------------|---|--|-------------------------------|--------------------------------|----------------------------|-----------------------------|---|
| \$909,768 | \$915,113 | \$4,707,039 | \$164,403 | \$116,083 | \$77,166 | \$1,097 | \$281,430 |
| 8,599 | 40,132 | 219,166 | | 188 | | | 4,051 |
| <u>\$918,367</u> | <u>\$955,245</u> | <u>\$4,926,205</u> | <u>\$164,403</u> | <u>\$116,271</u> | <u>\$77,166</u> | <u>\$1,097</u> | <u>\$285,481</u> |
| \$54,290 13,988 | \$105,783 | \$48,145 3,416 | \$66 | | | | \$500 |
| 6,404 19,340 | | | | | | | |
| <u>94,022</u> | <u>105,783</u> | <u>51,561</u> | <u>66</u> | | | | <u>500</u> |
| 824,345 | 849,462 | 4,874,644 | | | | | 284,981 |
| | | | 164,337 | \$116,271 | \$77,166 | \$1,097 | |
| <u>824,345</u> | <u>849,462</u> | <u>4,874,644</u> | <u>164,337</u> | <u>116,271</u> | <u>77,166</u> | <u>1,097</u> | <u>284,981</u> |
| <u>\$918,367</u> | <u>\$955,245</u> | <u>\$4,926,205</u> | <u>\$164,403</u> | <u>\$116,271</u> | <u>\$77,166</u> | <u>\$1,097</u> | <u>\$285,481</u> |

(Continued)

CITY OF ALAMEDA
NON-MAJOR GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2007

| | SPECIAL REVENUE FUNDS | | | DEBT SERVICE FUNDS | | | |
|--|-----------------------|-----------------|---------------------------|-------------------------------|------------------|----------------------------|--------------------|
| | TSM/TDM | Public Art | Historical Advisory Board | Certificates of Participation | | 2002 City Hall Refinancing | 2003 Library Bonds |
| | | | | Police Building | Library/Golf | | |
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$67,021 | \$43,385 | \$650 | | | | \$371,278 |
| Restricted cash and investments | | | | \$245,293 | \$645,778 | \$1,656,193 | 1 |
| Accounts receivable | | | | | | | 46,998 |
| Interest receivable | | | | | | | |
| Loans receivable | | | | | | | |
| Prepaid, deposits and bond discounts | | | | | | | |
| Total Assets | <u>\$67,021</u> | <u>\$43,385</u> | <u>\$650</u> | <u>\$245,293</u> | <u>\$645,778</u> | <u>\$1,656,193</u> | <u>\$418,277</u> |
| LIABILITIES | | | | | | | |
| Accounts payable | | | | | | | |
| Accrued payroll | | | | | | | |
| Due to other funds | | | | \$4,934 | | | |
| Deferred revenue | | | | | | | |
| Refundable deposits | | | | | | | |
| Total Liabilities | | | | <u>4,934</u> | | | |
| FUND EQUITY | | | | | | | |
| Fund balances | | | | | | | |
| Reserved for: | | | | | | | |
| Capital improvement | | | | | | | |
| Debt service | | | | 240,359 | \$645,778 | \$1,656,193 | \$418,277 |
| Low-and-moderate income housing | | | | | | | |
| Prepays, loans receivable, and advances to other funds | | | | | | | |
| Unreserved: | | | | | | | |
| Designated for: | | | | | | | |
| Special Revenue Funds | | | | | | | |
| Capital Projects Funds | | | | | | | |
| Undesignated | <u>\$67,021</u> | <u>\$43,385</u> | <u>\$650</u> | | | | |
| Total Fund Balances | <u>67,021</u> | <u>43,385</u> | <u>650</u> | <u>240,359</u> | <u>645,778</u> | <u>1,656,193</u> | <u>418,277</u> |
| Total Liabilities and Fund Balances | <u>\$67,021</u> | <u>\$43,385</u> | <u>\$650</u> | <u>\$245,293</u> | <u>\$645,778</u> | <u>\$1,656,193</u> | <u>\$418,277</u> |

| DEBT SERVICE FUNDS | | | | | CAPITAL PROJECTS FUNDS | | |
|--|---|--|--|-----------|----------------------------|----------------------|------------------------------|
| Community Improvement Commission Subordinate Bonds | Community Improvement Commission 2003 Tax Allocation Refunding Bonds BWIP | Community Improvement Commission 2003 Tax Allocation Bonds | Alameda Point Improvement Project 2003 Revenue Bonds | HUD 108 | Transportation Improvement | Library Construction | Urban Runoff Storm Drain Fee |
| \$221,248 350,161 | \$284,223 1,296,863 | \$4,641,155 | \$1,133,692 382,447 | | \$1,394,897 100 | \$290,611 | \$5,265,320 103,499 |
| | | | | \$108,258 | | | |
| \$571,409 | \$1,581,086 | \$4,641,155 | \$1,516,139 | \$108,258 | \$1,394,997 | \$290,611 | \$5,368,819 |
| | | | | \$99,695 | | | \$396 14,518 |
| | | | | | | | 11,726 |
| | | | | 99,695 | | | 26,640 |
| \$571,409 | \$1,581,086 | \$4,641,155 | \$1,516,139 | 8,563 | | | |
| | | | | | \$1,394,997 | \$290,611 | \$5,342,179 |
| 571,409 | 1,581,086 | 4,641,155 | 1,516,139 | 8,563 | 1,394,997 | 290,611 | 5,342,179 |
| \$571,409 | \$1,581,086 | \$4,641,155 | \$1,516,139 | \$108,258 | \$1,394,997 | \$290,611 | \$5,368,819 |

(Continued)

CITY OF ALAMEDA
NON-MAJOR GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2007

| CAPITAL PROJECTS FUNDS | | | | | |
|---|--------------------------------------|--------------------------------------|-----------------------------|---------------------------|--------------------------------|
| | Community Facility District #1 | Community Facility District #2 | Special Assessment District | | Citywide Development Fee |
| | | | Harbor Bay Isle 92-1 | Marina Village 89-1 | |
| ASSETS | | | | | |
| Cash and cash equivalents | \$226 | \$6,797 | \$3,694 | \$89,688 | \$2,004,189 |
| Restricted cash and investments | | | 1,166,084 | 2,670,445 | |
| Accounts receivable | | | | | |
| Interest receivable | | | | | |
| Loans receivable | | | | | |
| Prepaid, deposits and bond discounts | | | | | |
| Total Assets | <u>\$226</u> | <u>\$6,797</u> | <u>\$1,169,778</u> | <u>\$2,760,133</u> | <u>\$2,004,189</u> |
| LIABILITIES | | | | | |
| Accounts payable | | | | | |
| Accrued payroll | | | | | |
| Due to other funds | | | | | |
| Deferred revenue | | | | | |
| Refundable deposits | | | | | |
| Total Liabilities | | | | | |
| FUND EQUITY | | | | | |
| Fund balances | | | | | |
| Reserved for: | | | | | |
| Capital improvement | \$226 | \$6,797 | \$1,169,778 | \$2,760,133 | \$2,004,189 |
| Debt service | | | | | |
| Low-and-moderate-income housing | | | | | |
| Prepays, loans receivable, and advances to other funds | | | | | |
| Unreserved: | | | | | |
| Designated for: | | | | | |
| Special Revenue Funds | | | | | |
| Capital Projects Fund | | | | | |
| Undesignated | | | | | |
| Total Fund Balances | <u>226</u> | <u>6,797</u> | <u>1,169,778</u> | <u>2,760,133</u> | <u>2,004,189</u> |
| Total Liabilities and Fund Balances | <u>\$226</u> | <u>\$6,797</u> | <u>\$1,169,778</u> | <u>\$2,760,133</u> | <u>\$2,004,189</u> |

CAPITAL PROJECTS FUNDS

| <u>Wastewater Capital Reserve</u> | <u>Open Space Improvement</u> | <u>Alameda Point Improvement Project 2003 Revenue Bonds</u> | <u>Total Nonmajor Governmental Funds</u> |
|---|---------------------------------------|---|--|
| \$25,364 | \$42,473 | \$22,350 452,634 | \$29,686,935 13,939,465 1,771,478 3,605 3,406,726 1,095,732 |
| | 978,254 | | |
| <u>\$25,364</u> | <u>\$1,020,727</u> | <u>\$474,984</u> | <u>\$49,903,941</u> |
| | | \$59,436 | \$553,371 74,379 369,785 3,413,130 56,778 |
| | | 59,436 | 4,467,443 |
| \$25,364 | \$42,473 | 415,548 | 12,237,894 11,278,959 1,228,373 |
| | 978,254 | | 987,474 |
| | | | 6,833,432 1,394,997 11,475,369 |
| <u>25,364</u> | <u>1,020,727</u> | <u>415,548</u> | <u>45,436,498</u> |
| <u>\$25,364</u> | <u>\$1,020,727</u> | <u>\$474,984</u> | <u>\$49,903,941</u> |

CITY OF ALAMEDA
NON-MAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2007

SPECIAL REVENUE FUNDS

| | <u>Library</u> | <u>Gas Tax</u> | <u>Transportation Improvement</u> | <u>Traffic Safety</u> | <u>County Measure B</u> | <u>CHRPD LEAD</u> |
|--|--------------------|--------------------|---------------------------------------|-----------------------|-----------------------------|-----------------------|
| REVENUES | | | | | | |
| Taxes | \$1,363,147 | | | | | |
| Other taxes | | | | | | |
| Licenses and permits | | | | | | |
| Revenue from other agencies | 74,459 | \$1,363,098 | \$554,679 | | \$2,766,186 | \$34,650 |
| Charges for current services | 72,010 | | | | | |
| Fines and forfeitures | | | | \$179,212 | | |
| Use of money and property | 7,635 | 7,220 | 19,803 | 1,066 | 234,089 | 159 |
| Affordable housing fees | | | | | | |
| Other | | | | | | |
| Total Revenues | <u>1,517,251</u> | <u>1,370,318</u> | <u>574,482</u> | <u>180,278</u> | <u>3,000,275</u> | <u>34,809</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | | | | | | |
| Public works | | | | | | |
| Development services, planning and building | | | | | | |
| Culture and leisure | 2,726,527 | | | | | |
| Housing and community services | | | | | | 38,700 |
| Capital outlay | 9,446 | | | | | |
| Payment to other agencies | | | | | | |
| Debt service: | | | | | | |
| Principal | | | | | | |
| Interest and fiscal charges | | | | | | |
| Total Expenditures | <u>2,735,973</u> | | | | | <u>38,700</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(1,218,722)</u> | <u>1,370,318</u> | <u>574,482</u> | <u>180,278</u> | <u>3,000,275</u> | <u>(3,891)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Proceeds from sale of properties | | | | | | |
| Transfers in | 1,403,798 | | | | | |
| Transfers (out) | (238,576) | (1,166,144) | (794,679) | (179,212) | (2,205,045) | |
| Total Other Financing Sources (Uses) | <u>1,165,222</u> | <u>(1,166,144)</u> | <u>(794,679)</u> | <u>(179,212)</u> | <u>(2,205,045)</u> | |
| NET CHANGE IN FUND BALANCES | (53,500) | 204,174 | (220,197) | 1,066 | 795,230 | (3,891) |
| BEGINNING FUND BALANCES (DEFICITS) | <u>147,067</u> | <u>354,215</u> | <u>265,820</u> | | <u>4,459,767</u> | <u>22,114</u> |
| ENDING FUND BALANCES (DEFICITS) | <u>\$93,567</u> | <u>\$558,389</u> | <u>\$45,623</u> | <u>\$1,066</u> | <u>\$5,254,997</u> | <u>\$18,223</u> |

SPECIAL REVENUE FUNDS

| <u>Tidelands</u> | <u>Narcotics Asset Seizure</u> | <u>Senior Citizens Transportation Assistance</u> | <u>Dwelling Unit</u> | <u>Parking Meter</u> | <u>Commercial Revitalization</u> | <u>Community Development Block Grant</u> | <u>HOME Fund</u> |
|--------------------|--|--|--------------------------|--------------------------|--------------------------------------|--|----------------------|
| | | | \$116,280 | | | | |
| | \$29,606 | | | \$591,153 | \$20,000 668,181 | \$2,281,483 | \$615,784 |
| \$220,752 | | \$93 | 11,163 | 77,145 | 105,263 | | |
| | | 5,009 | | | 15,000 | | |
| <u>220,752</u> | <u>29,606</u> | <u>5,102</u> | <u>127,443</u> | <u>668,298</u> | <u>808,444</u> | <u>2,281,483</u> | <u>615,784</u> |
| 75,554 | 2,000 | 257,953 | | 59,528 | | | |
| | | | | | 241,353 | 2,795,958 396 | 615,784 |
| <u>75,554</u> | <u>2,000</u> | <u>257,953</u> | | <u>59,528</u> | <u>241,353</u> | <u>2,796,354</u> | <u>615,784</u> |
| 145,198 | 27,606 | (252,851) | 127,443 | 608,770 | 567,091 | (514,871) | |
| | 12,188 | 252,850 | | | | 515,529 (658) | |
| (64,279) | | | (100,336) | (825,474) | (8,404,280) | | |
| <u>(64,279)</u> | <u>12,188</u> | <u>252,850</u> | <u>(100,336)</u> | <u>(825,474)</u> | <u>(8,404,280)</u> | <u>514,871</u> | |
| 80,919 | 39,794 | (1) | 27,107 | (216,704) | (7,837,189) | | |
| <u>1,078,690</u> | <u>(82,355)</u> | <u>26,023</u> | <u>176,121</u> | <u>1,646,820</u> | <u>9,112,253</u> | | |
| <u>\$1,159,609</u> | <u>(\$42,561)</u> | <u>\$26,022</u> | <u>\$203,228</u> | <u>\$1,430,116</u> | <u>\$1,275,064</u> | | |

(Continued)

CITY OF ALAMEDA
NON-MAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2007

| | SPECIAL REVENUE FUNDS | | | | | |
|--|-----------------------------|-------------------|-------------------------|-----------------------|----------------------|--|
| | Rehabilitation Repayment | Human Services | Vehicle Registration | Affordable Housing | Garbage Surcharge | Bayport Municipal Service District |
| REVENUES | | | | | | |
| Taxes | | | | | | \$310,786 |
| Other taxes | | | | | \$175,000 | |
| Licenses and permits | | | | | | |
| Revenue from other agencies | | \$17,452 | | | | |
| Charges for current services | | | | | | |
| Fines and forfeitures | | | | | | |
| Use of money and property | \$238,526 | 1,848 | \$1,909 | \$27,641 | 31,928 | 14,947 |
| Affordable housing fees | | | | 158,747 | | |
| Other | 815 | 1,046 | | | | |
| Total Revenues | 239,341 | 20,346 | 1,909 | 186,388 | 206,928 | 325,733 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | | | | 39,819 | | 80 |
| Public works | | | | | | |
| Development services, planning and building | | | | | | |
| Culture and leisure | | | | | | |
| Housing and community services | | 60,733 | | 8,920 | | |
| Capital outlay | | | | 515 | | |
| Payment to other agencies | | | | | | |
| Debt service: | | | | | | |
| Principal | | | | | | |
| Interest and fiscal charges | | | | | | |
| Total Expenditures | | 60,733 | | 49,254 | | 80 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 239,341 | (40,387) | 1,909 | 137,134 | 206,928 | 325,653 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Proceeds from sale of properties | | | | | | |
| Transfers in | | 44,200 | | 1,000 | | |
| Transfers (out) | (515,529) | | | | (97,388) | (136,267) |
| Total Other Financing Sources (Uses) | (515,529) | 44,200 | | 1,000 | (97,388) | (136,267) |
| NET CHANGE IN FUND BALANCES | (276,188) | 3,813 | 1,909 | 138,134 | 109,540 | 189,386 |
| BEGINNING FUND BALANCES (DEFICITS) | 968,339 | 28,591 | 38,310 | 398,088 | 586,477 | 213,889 |
| ENDING FUND BALANCES (DEFICITS) | \$692,151 | \$32,404 | \$40,219 | \$536,222 | \$696,017 | \$403,275 |

SPECIAL REVENUE FUNDS

| <u>Athletic Recreation</u> | <u>Island City Maintenance Assessment District 84-2</u> | <u>Waste Reduction Surcharge</u> | <u>Curbside Recycling</u> | <u>Housing Development</u> | <u>Parking In-Lieu</u> | <u>Dike Maintenance</u> | <u>Marina Cove Maintenance District 01-01</u> |
|--------------------------------|---|--|-------------------------------|--------------------------------|----------------------------|-----------------------------|---|
| | \$1,121,213 | | | | | | \$93,079 |
| \$18,244 | | \$417,938 | | | | | |
| 1,406,941 | 10,618 | 386,767 | | | \$358 | | |
| 303,483 | 38,709 | 227,373 | \$8,555 | \$7,699 | 3,648 | \$1,097 | 11,450 |
| | | (1,353) | | | | | |
| <u>1,728,668</u> | <u>1,170,540</u> | <u>1,030,725</u> | <u>8,555</u> | <u>7,699</u> | <u>4,006</u> | <u>1,097</u> | <u>104,529</u> |
| 1,471,884 | 1,216,386 | 465,474 | | | | | 4,155 |
| 555 | | 2,021 | | | | | |
| 5,250 | | | | | | | |
| <u>1,477,689</u> | <u>1,216,386</u> | <u>467,495</u> | | | | | <u>4,155</u> |
| <u>250,979</u> | <u>(45,846)</u> | <u>563,230</u> | <u>8,555</u> | <u>7,699</u> | <u>4,006</u> | <u>1,097</u> | <u>100,374</u> |
| 37,246 | 3,000 | | | | | | |
| (104,659) | | (352,078) | (16,000) | | | (118,974) | (25,708) |
| (67,413) | 3,000 | (352,078) | (16,000) | | | (118,974) | (25,708) |
| 183,566 | (42,846) | 211,152 | (7,445) | 7,699 | 4,006 | (117,877) | 74,666 |
| <u>640,779</u> | <u>892,308</u> | <u>4,663,492</u> | <u>171,782</u> | <u>108,572</u> | <u>73,160</u> | <u>118,974</u> | <u>210,315</u> |
| <u>\$824,345</u> | <u>\$849,462</u> | <u>\$4,874,644</u> | <u>\$164,337</u> | <u>\$116,271</u> | <u>\$77,166</u> | <u>\$1,097</u> | <u>\$284,981</u> |

(Continued)

CITY OF ALAMEDA
NON-MAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2007

| | SPECIAL REVENUE FUNDS | | | DEBT SERVICE FUNDS | | | |
|---|-----------------------|------------|---------------------------|-------------------------------|---------------|----------------------------|--------------------|
| | TSM/TDM | Public Art | Historical Advisory Board | CERTIFICATES OF PARTICIPATION | | | |
| | | | | Police Building | Library/ Golf | 2002 City Hall Refinancing | 2003 Library Bonds |
| REVENUES | | | | | | | |
| Taxes | | | | | | | \$623,079 |
| Other taxes | | | | | | | |
| Licenses and permits | | \$11,750 | \$600 | | | | |
| Revenue from other agencies | | | | | | | |
| Charges for current services | \$22,722 | | | | | | |
| Fines and forfeitures | | | | | | | |
| Use of money and property | 2,715 | 2,067 | 50 | \$13,930 | \$18,487 | \$84,769 | 7,541 |
| Affordable housing fees | | | | | | | |
| Other | | | | | | | |
| Total Revenues | 25,437 | 13,817 | 650 | 13,930 | 18,487 | 84,769 | 630,620 |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General government | | 58 | | | | | |
| Public works | | | | | | | |
| Development services, planning and building | | | | | | | |
| Culture and leisure | | | | | | | |
| Housing and community services | | | | | | | |
| Capital outlay | | | | | | | |
| Payment to other agencies | | | | | | | |
| Debt service: | | | | | | | |
| Principal | | | | 140,000 | 155,000 | 375,000 | 165,000 |
| Interest and fiscal charges | | | | 104,467 | 222,473 | 455,557 | 493,250 |
| Total Expenditures | | 58 | | 244,467 | 377,473 | 830,557 | 658,250 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 25,437 | 13,759 | 650 | (230,537) | (358,986) | (745,788) | (27,630) |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Proceeds from sale of properties | | | | | | | |
| Transfers in | | | | 240,140 | 372,775 | 828,638 | |
| Transfers (out) | | (3,292) | | | | | |
| Total Other Financing Sources (Uses) | | (3,292) | | 240,140 | 372,775 | 828,638 | |
| NET CHANGE IN FUND BALANCES | 25,437 | 10,467 | 650 | 9,603 | 13,789 | 82,850 | (27,630) |
| BEGINNING FUND BALANCES (DEFICITS) | 41,584 | 32,918 | | 230,756 | 631,989 | 1,573,343 | 445,907 |
| ENDING FUND BALANCES (DEFICITS) | \$67,021 | \$43,385 | \$650 | \$240,359 | \$645,778 | \$1,656,193 | \$418,277 |

| DEBT SERVICE FUNDS | | | | | CAPITAL PROJECTS FUNDS | | |
|---|--|--|--|------------|-------------------------------|-------------------------|------------------------------------|
| Community Improvement Commission Subordinate Bonds | Community Improvement Commission 2003 Tax Allocation Refunding Bonds BWIP | Community Improvement Commission 2003 Tax Allocation Bonds | Alameda Point Improvement Project 2003 Revenue Bonds | HUD 108 | Transportation Improvement | Library Construction | Urban Runoff Strom Drain Fee |
| | | | | | \$349,979 216,020 | | \$2,760,265 |
| | | | | \$82,397 | | \$117,535 | 1,146 |
| \$24,243 | \$64,928 | \$213,704 | \$87,971 | 8,563 | 51,617 | 16,414 | 231,823 |
| | | | | | | | 3,000 |
| 24,243 | 64,928 | 213,704 | 87,971 | 90,960 | 617,616 | 133,949 | 2,996,234 |
| | | | | | 202 | 111,959 | 1,411,219 |
| 450,000 290,563 | 200,000 835,087 | 40,000 2,692,328 | 596,197 | 82,397 | | | |
| 740,563 | 1,035,087 | 2,732,328 | 596,197 | 82,397 | 202 | 111,959 | 1,411,219 |
| (716,320) | (970,159) | (2,518,624) | (508,226) | 8,563 | 617,414 | 21,990 | 1,585,015 |
| 740,036 | 1,035,770 | 2,729,859 | 26,370 | | (139,832) | 19,380 (745,297) | 66,307 (909,560) |
| 740,036 | 1,035,770 | 2,729,859 | 26,370 | | (139,832) | (725,917) | (843,253) |
| 23,716 | 65,611 | 211,235 | (481,856) | 8,563 | 477,582 | (703,927) | 741,762 |
| 547,693 | 1,515,475 | 4,429,920 | 1,997,995 | | 917,415 | 994,538 | 4,600,417 |
| \$571,409 | \$1,581,086 | \$4,641,155 | \$1,516,139 | \$8,563 | \$1,394,997 | \$290,611 | \$5,342,179 |

(Continued)

CITY OF ALAMEDA
NON-MAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2007

CAPITAL PROJECTS FUNDS

| | Community Facility District #1 | Community Facility District #2 | <u>Special Assessment District</u> | | Citywide Development Fee |
|--|--------------------------------------|--------------------------------------|------------------------------------|---------------------------|--------------------------------|
| | | | Harbor Bay Isle 92-1 | Marina Village 89-1 | |
| REVENUES | | | | | |
| Taxes | | | | | |
| Other taxes | | | | | \$585,945 |
| Licenses and permits | | | | | |
| Revenue from other agencies | | | \$24,814 | | |
| Charges for current services | | | | | |
| Fines and forfeitures | | | | | |
| Use of money and property | \$11 | \$18,718 | 59,252 | \$139,883 | 85,156 |
| Affordable housing fees | | | | | |
| Other | | | | | |
| Total Revenues | <u>11</u> | <u>18,718</u> | <u>84,066</u> | <u>139,883</u> | <u>671,101</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | | | | | |
| Public works | | | | | |
| Development services, planning and building | | | | | |
| Culture and leisure | | | | | |
| Housing and community services | | | | | |
| Capital outlay | | 1,482 | 70,002 | 15,735 | |
| Payment to other agencies | | | | | |
| Debt service: | | | | | |
| Principal | | | | | |
| Interest and fiscal charges | | | | | |
| Total Expenditures | | <u>1,482</u> | <u>70,002</u> | <u>15,735</u> | |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>11</u> | <u>17,236</u> | <u>14,064</u> | <u>124,148</u> | <u>671,101</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from sale of properties | | | | | |
| Transfers in | | | | | |
| Transfers (out) | | (487,660) | | | |
| Total Other Financing Sources (Uses) | | <u>(487,660)</u> | | | |
| NET CHANGE IN FUND BALANCES | 11 | (470,424) | 14,064 | 124,148 | 671,101 |
| BEGINNING FUND BALANCES (DEFICITS) | <u>215</u> | <u>477,221</u> | <u>1,155,714</u> | <u>2,635,985</u> | <u>1,333,088</u> |
| ENDING FUND BALANCES (DEFICITS) | <u>\$226</u> | <u>\$6,797</u> | <u>\$1,169,778</u> | <u>\$2,760,133</u> | <u>\$2,004,189</u> |

CAPITAL PROJECTS FUNDS

| <u>Wastewater Capital Reserve</u> | <u>Open Space Improvement</u> | <u>Alameda Point Improvement Project 2003 Revenue Bonds</u> | <u>Total Nonmajor Governmental Funds</u> |
|---|---------------------------------------|---|--|
| | | | \$6,621,548 |
| | | | 1,093,245 |
| | | | 12,350 |
| | | | 8,418,325 |
| | | | 3,159,896 |
| | | | 179,212 |
| \$851 | \$41,914 | \$28,807 | 2,806,615 |
| | | | 158,747 |
| | | | 23,517 |
| <u>851</u> | <u>41,914</u> | <u>28,807</u> | <u>22,473,455</u> |
| | | | 1,906,876 |
| | | 1,376 | 1,687,391 |
| | | | 2,726,527 |
| | | | 3,761,448 |
| | | | 1,623,532 |
| | | | 1,530,250 |
| | | | 5,772,319 |
| | | 1,376 | 19,008,343 |
| <u>851</u> | <u>41,914</u> | <u>27,431</u> | <u>3,465,112</u> |
| | | | 12,188 |
| 8,120 | 61,254 | | 8,386,272 |
| | | (209,072) | (17,839,999) |
| <u>8,120</u> | <u>61,254</u> | <u>(209,072)</u> | <u>(9,441,539)</u> |
| | | | |
| 8,971 | 103,168 | (181,641) | (5,976,427) |
| <u>16,393</u> | <u>917,559</u> | <u>597,189</u> | <u>51,412,925</u> |
| <u>\$25,364</u> | <u>\$1,020,727</u> | <u>\$415,548</u> | <u>\$45,436,498</u> |

CITY OF ALAMEDA
BUDGETED NON-MAJOR FUNDS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | LIBRARY | | | GAS TAX | | |
|--|--------------------|--------------------|--|--------------------|--------------------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| REVENUES | | | | | | |
| Property taxes | \$1,336,896 | \$1,363,147 | \$26,251 | | | |
| Other taxes | | | | | | |
| Licenses and permits | | | | | | |
| Revenue from other agencies | 77,788 | 74,459 | (3,329) | \$1,603,488 | \$1,363,098 | (\$240,390) |
| Charges for current services | 70,000 | 72,010 | 2,010 | | | |
| Fines and forfeitures | | | | | | |
| Use of money and property | | 7,635 | 7,635 | 30,000 | 7,220 | (22,780) |
| Affordable housing fee | | | | | | |
| Other | | | | | | |
| Total Revenues | <u>1,484,684</u> | <u>1,517,251</u> | <u>32,567</u> | <u>1,633,488</u> | <u>1,370,318</u> | <u>(263,170)</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | | | | | | |
| Public works | | | | 150,000 | | 150,000 |
| Development services | | | | | | |
| Culture and recreation | 3,185,452 | 2,726,527 | 458,925 | | | |
| Housing and community services | | | | | | |
| Capital outlay | 32,440 | 9,446 | 22,994 | | | |
| Debt service: | | | | | | |
| Principal | | | | | | |
| Interest and fiscal charges | | | | | | |
| Total Expenditures | <u>3,217,892</u> | <u>2,735,973</u> | <u>481,919</u> | <u>150,000</u> | | <u>150,000</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(1,733,208)</u> | <u>(1,218,722)</u> | <u>514,486</u> | <u>1,483,488</u> | <u>1,370,318</u> | <u>(113,170)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Proceeds from sale of properties | | | | | | |
| Transfers in | 1,830,124 | 1,403,798 | (426,326) | | | |
| Transfers (out) | <u>(238,576)</u> | <u>(238,576)</u> | | <u>(2,106,354)</u> | <u>(1,166,144)</u> | <u>940,210</u> |
| Total Other Financing Sources (Uses) | <u>1,591,548</u> | <u>1,165,222</u> | <u>(426,326)</u> | <u>(2,106,354)</u> | <u>(1,166,144)</u> | <u>940,210</u> |
| NET CHANGE IN FUND BALANCES | <u>(\$141,660)</u> | <u>(53,500)</u> | <u>\$88,160</u> | <u>(\$622,866)</u> | <u>204,174</u> | <u>\$827,040</u> |
| BEGINNING FUND BALANCES (DEFICITS) | | <u>147,067</u> | | | <u>354,215</u> | |
| ENDING FUND BALANCES (DEFICITS) | | <u>\$93,567</u> | | | <u>\$558,389</u> | |

| TRANSPORTATION IMPROVEMENT | | | TRAFFIC SAFETY | | | COUNTY MEASURE B | | |
|----------------------------|------------------|--|------------------|------------------|--|----------------------|--------------------|--|
| Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| \$554,679 | \$554,679 | | | | | \$2,418,936 | \$2,766,186 | \$347,250 |
| | 19,803 | \$19,803 | \$180,000 | \$179,212 | (\$788) | \$45,000 | 234,089 | 189,089 |
| | | | | 1,066 | 1,066 | | | |
| <u>554,679</u> | <u>574,482</u> | <u>19,803</u> | <u>180,000</u> | <u>180,278</u> | <u>278</u> | <u>2,463,936</u> | <u>3,000,275</u> | <u>536,339</u> |
| | | | | | | | | |
| | | | | | | 488,400 | | 488,400 |
| | | | | | | | | |
| | | | | | | 488,400 | | 488,400 |
| <u>554,679</u> | <u>574,482</u> | <u>19,803</u> | <u>180,000</u> | <u>180,278</u> | <u>278</u> | <u>1,975,536</u> | <u>3,000,275</u> | <u>1,024,739</u> |
| | | | | | | | | |
| <u>(794,679)</u> | <u>(794,679)</u> | | <u>(179,300)</u> | <u>(179,212)</u> | <u>88</u> | <u>(5,623,912)</u> | <u>(2,205,045)</u> | <u>3,418,867</u> |
| <u>(794,679)</u> | <u>(794,679)</u> | | <u>(179,300)</u> | <u>(179,212)</u> | <u>88</u> | <u>(5,623,912)</u> | <u>(2,205,045)</u> | <u>3,418,867</u> |
| | | | | | | | | |
| <u>(\$240,000)</u> | <u>(220,197)</u> | <u>\$19,803</u> | <u>\$700</u> | <u>1,066</u> | <u>\$366</u> | <u>(\$3,648,376)</u> | <u>795,230</u> | <u>\$4,443,606</u> |
| | <u>265,820</u> | | | | | | <u>4,459,767</u> | |
| | <u>\$45,623</u> | | | <u>\$1,066</u> | | | <u>\$5,254,997</u> | |

(Continued)

CITY OF ALAMEDA
BUDGETED NON-MAJOR FUNDS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | CHRPO/LEAD | | | TIDELANDS | | |
|--|-------------------|-----------------|--|-------------------|--------------------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| REVENUES | | | | | | |
| Property taxes | | | | | | |
| Other taxes | | | | | | |
| Licenses and permits | | | | | | |
| Revenue from other agencies | \$164,112 | \$34,650 | (\$129,462) | | | |
| Charges for current services | | | | | | |
| Fines and forfeitures | | | | | | |
| Use of money and property | | 159 | 159 | \$240,000 | \$220,752 | (\$19,248) |
| Affordable housing fee | | | | | | |
| Other | | | | | | |
| Total Revenues | <u>164,112</u> | <u>34,809</u> | <u>(129,303)</u> | <u>240,000</u> | <u>220,752</u> | <u>(19,248)</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | | | | 52,788 | 75,554 | (22,766) |
| Public works | | | | | | |
| Development services | | | | | | |
| Culture and recreation | | | | | | |
| Housing and community services | 181,971 | 38,700 | 143,271 | | | |
| Capital outlay | | | | | | |
| Debt service: | | | | | | |
| Principal | | | | | | |
| Interest and fiscal charges | | | | | | |
| Total Expenditures | <u>181,971</u> | <u>38,700</u> | <u>143,271</u> | <u>52,788</u> | <u>75,554</u> | <u>(22,766)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(17,859)</u> | <u>(3,891)</u> | <u>13,968</u> | <u>187,212</u> | <u>145,198</u> | <u>(42,014)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Proceeds from sale of properties | | | | | | |
| Transfers in | | | | | | |
| Transfers (out) | | | | (231,907) | (64,279) | 167,628 |
| Total Other Financing Sources (Uses) | | | | <u>(231,907)</u> | <u>(64,279)</u> | <u>167,628</u> |
| NET CHANGE IN FUND BALANCES | <u>(\$17,859)</u> | <u>(3,891)</u> | <u>\$13,968</u> | <u>(\$44,695)</u> | <u>80,919</u> | <u>\$125,614</u> |
| BEGINNING FUND BALANCES (DEFICITS) | | <u>22,114</u> | | | <u>1,078,690</u> | |
| ENDING FUND BALANCES (DEFICITS) | | <u>\$18,223</u> | | | <u>\$1,159,609</u> | |

| NARCOTICS ASSET SEIZURE | | | SENIOR CITIZENS, TRANSPORTATION ASSISTANCE | | | DWELLING UNIT | | |
|-------------------------|------------|--|---|-----------|--|---------------|-----------|--|
| Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| | | | | | | \$215,000 | \$116,280 | (\$98,720) |
| \$21,753 | \$29,606 | \$7,853 | | \$93 | \$93 | | 11,163 | 11,163 |
| | | | \$3,000 | 5,009 | 2,009 | | | |
| 21,753 | 29,606 | 7,853 | 3,000 | 5,102 | 2,102 | 215,000 | 127,443 | (87,557) |
| 2,000 | 2,000 | | 265,747 | 257,953 | 7,794 | | | |
| 2,000 | 2,000 | | 265,747 | 257,953 | 7,794 | | | |
| 19,753 | 27,606 | 7,853 | (262,747) | (252,851) | 9,896 | 215,000 | 127,443 | (87,557) |
| | 12,188 | 12,188 | 294,947 | 252,850 | (42,097) | (210,177) | (100,336) | 109,841 |
| | 12,188 | 12,188 | 294,947 | 252,850 | (42,097) | (210,177) | (100,336) | 109,841 |
| \$19,753 | 39,794 | \$20,041 | \$32,200 | (1) | (\$32,201) | \$4,823 | 27,107 | \$22,284 |
| | (82,355) | | | 26,023 | | | 176,121 | |
| | (\$42,561) | | | \$26,022 | | | \$203,228 | |

(Continued)

CITY OF ALAMEDA
BUDGETED NON-MAJOR FUNDS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | PARKING METER | | | COMMERCIAL REVITALIZATION | | |
|--|--------------------|--------------------|--|------------------------------|--------------------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| REVENUES | | | | | | |
| Property taxes | | | | | | |
| Other taxes | | | | | | |
| Licenses and permits | | | | | | |
| Revenue from other agencies | | | | \$20,000 | \$20,000 | |
| Charges for current services | \$465,000 | \$591,153 | \$126,153 | | 668,181 | \$668,181 |
| Fines and forfeitures | | | | | | |
| Use of money and property | 15,000 | 77,145 | 62,145 | 25,000 | 105,263 | 80,263 |
| Affordable housing fee | | | | | | |
| Other | | | | 320,670 | 15,000 | (305,670) |
| Total Revenues | 480,000 | 668,298 | 188,298 | 365,670 | 808,444 | 442,774 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 63,900 | 59,528 | 4,372 | | | |
| Public works | | | | | | |
| Development services | | | | | | |
| Culture and recreation | | | | | | |
| Housing and community services | | | | 376,686 | 241,353 | 135,333 |
| Capital outlay | | | | | | |
| Debt service: | | | | | | |
| Principal | | | | | | |
| Interest and fiscal charges | | | | | | |
| Total Expenditures | 63,900 | 59,528 | 4,372 | 376,686 | 241,353 | 135,333 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 416,100 | 608,770 | 192,670 | (11,016) | 567,091 | 578,107 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Proceeds from sale of properties | | | | | | |
| Transfers in | | | | | | |
| Transfers (out) | (837,696) | (825,474) | 12,222 | (2,814) | (8,404,280) | (8,401,466) |
| Total Other Financing Sources (Uses) | (837,696) | (825,474) | 12,222 | (2,814) | (8,404,280) | (8,401,466) |
| NET CHANGE IN FUND BALANCES | <u>(\$421,596)</u> | <u>(216,704)</u> | <u>\$204,892</u> | <u>(\$13,830)</u> | <u>(7,837,189)</u> | <u>(\$7,823,359)</u> |
| BEGINNING FUND BALANCES (DEFICITS) | | <u>1,646,820</u> | | | <u>9,112,253</u> | |
| ENDING FUND BALANCES (DEFICITS) | | <u>\$1,430,116</u> | | | <u>\$1,275,064</u> | |

| COMMUNITY DEVELOPMENT BLOCK GRANT | | | HOME FUND | | | REHABILITATION REPAYMENT | | |
|--------------------------------------|-------------|--|-------------|-----------|--|--------------------------|-----------|--|
| Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| \$3,650,409 | \$2,281,483 | (\$1,368,926) | \$2,193,897 | \$615,784 | (\$1,578,113) | | | |
| | | | | | | \$190,000 | \$238,526 | \$48,526 |
| | | | | | | | 815 | 815 |
| 3,650,409 | 2,281,483 | (1,368,926) | 2,193,897 | 615,784 | (1,578,113) | 190,000 | 239,341 | 49,341 |
| 4,513,328 | 2,795,958 | 1,717,370 | 2,193,897 | 615,784 | 1,578,113 | | | |
| 9,000 | 396 | 8,604 | | | | | | |
| 4,522,328 | 2,796,354 | 1,725,974 | 2,193,897 | 615,784 | 1,578,113 | | | |
| (871,919) | (514,871) | 357,048 | | | | 190,000 | 239,341 | 49,341 |
| 881,868 | 515,529 | (366,339) | | | | | | |
| (10,658) | (658) | 10,000 | | | | (881,753) | (515,529) | 366,224 |
| 871,210 | 514,871 | (356,339) | | | | (881,753) | (515,529) | 366,224 |
| (\$709) | | \$709 | | | | (\$691,753) | (276,188) | \$415,565 |
| | | | | | | | 968,339 | |
| | | | | | | | \$692,151 | |

(Continued)

CITY OF ALAMEDA
BUDGETED NON-MAJOR FUNDS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | HUMAN SERVICES | | | VEHICLE REGISTRATION | | |
|--|-------------------|-----------------|--|----------------------|-----------------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| REVENUES | | | | | | |
| Property taxes | | | | | | |
| Other taxes | | | | | | |
| Licenses and permits | | | | | | |
| Revenue from other agencies | \$19,175 | \$17,452 | (\$1,723) | | | |
| Charges for current services | | | | | | |
| Fines and forfeitures | | 1,848 | 1,848 | \$2,000 | \$1,909 | (\$91) |
| Use of money and property | | | | | | |
| Affordable housing fee | | | | | | |
| Other | 1,000 | 1,046 | 46 | | | |
| Total Revenues | 20,175 | 20,346 | 171 | 2,000 | 1,909 | (91) |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | | | | | | |
| Public works | | | | | | |
| Development services | | | | | | |
| Culture and recreation | | | | | | |
| Housing and community services | 98,134 | 60,733 | 37,401 | | | |
| Capital outlay | | | | | | |
| Debt service: | | | | | | |
| Principal | | | | | | |
| Interest and fiscal charges | | | | | | |
| Total Expenditures | 98,134 | 60,733 | 37,401 | | | |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (77,959) | (40,387) | 37,572 | 2,000 | 1,909 | (91) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Proceeds from sale of properties | | | | | | |
| Transfers in | 44,200 | 44,200 | | | | |
| Transfers (out) | | | | | | |
| Total Other Financing Sources (Uses) | 44,200 | 44,200 | | | | |
| NET CHANGE IN FUND BALANCES | <u>(\$33,759)</u> | 3,813 | <u>\$37,572</u> | <u>\$2,000</u> | 1,909 | <u>(\$91)</u> |
| BEGINNING FUND BALANCES (DEFICITS) | | 28,591 | | | 38,310 | |
| ENDING FUND BALANCES | | <u>\$32,404</u> | | | <u>\$40,219</u> | |

| AFFORDABLE HOUSING | | | GARBAGE SURCHARGE | | | BAYPORT MUNICIPAL SERVICE DISTRICT | | |
|--------------------|---------------------|--|-------------------|-----------|--|------------------------------------|-----------|--|
| Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| | | | \$175,000 | \$175,000 | | \$341,712 | \$310,786 | (\$30,926) |
| \$90,000 | \$27,641 158,747 | \$27,641 68,747 | \$32,000 | 31,928 | (\$72) | | 14,947 | 14,947 |
| 90,000 | 186,388 | 96,388 | 207,000 | 206,928 | (72) | 341,712 | 325,733 | (15,979) |
| 45,008 | 39,819 | 5,189 | | | | 202,432 | 80 | 202,352 |
| 348,285 2,205 | 8,920 515 | 339,365 1,690 | | | | | | |
| 395,498 | 49,254 | 346,244 | | | | 202,432 | 80 | 202,352 |
| (305,498) | 137,134 | 442,632 | 207,000 | 206,928 | (72) | 139,280 | 325,653 | 186,373 |
| 1,000 | 1,000 | | (125,000) | (97,388) | 27,612 | (139,280) | (136,267) | 3,013 |
| 1,000 | 1,000 | | (125,000) | (97,388) | 27,612 | (139,280) | (136,267) | 3,013 |
| (\$304,498) | 138,134 | \$442,632 | \$82,000 | 109,540 | \$27,540 | | 189,386 | \$189,386 |
| | 398,088 | | | 586,477 | | | 213,889 | |
| | \$536,222 | | | \$696,017 | | | \$403,275 | |

(Continued)

CITY OF ALAMEDA
BUDGETED NON-MAJOR FUNDS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | ATHLETIC RECREATION | | | ISLAND CITY MAINTENANCE ASSESSMENT DISTRICT 84-2 | | |
|--|---------------------|------------------|--|--|------------------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| REVENUES | | | | | | |
| Property taxes | | | | \$1,164,764 | \$1,121,213 | (\$43,551) |
| Other taxes | | | | | | |
| Licenses and permits | | | | | | |
| Revenue from other agencies | \$20,000 | \$18,244 | (\$1,756) | | | |
| Charges for current services | 1,835,635 | 1,406,941 | (428,694) | 50,929 | 10,618 | (40,311) |
| Fines and forfeitures | | | | | | |
| Use of money and property | 190,800 | 303,483 | 112,683 | | 38,709 | 38,709 |
| Affordable housing fee | | | | | | |
| Other | | | | | | |
| Total Revenues | <u>2,046,435</u> | <u>1,728,668</u> | <u>(317,767)</u> | <u>1,215,693</u> | <u>1,170,540</u> | <u>(45,153)</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 1,598,476 | 1,471,884 | 126,592 | | | |
| Public works | | | | 1,490,316 | 1,216,386 | 273,930 |
| Development services | | | | | | |
| Culture and recreation | | | | | | |
| Housing and community services | | | | | | |
| Capital outlay | | 555 | (555) | | | |
| Debt service: | | | | | | |
| Principal | 5,250 | 5,250 | | | | |
| Interest and fiscal charges | | | | | | |
| Total Expenditures | <u>1,603,726</u> | <u>1,477,689</u> | <u>126,037</u> | <u>1,490,316</u> | <u>1,216,386</u> | <u>273,930</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>442,709</u> | <u>250,979</u> | <u>(191,730)</u> | <u>(274,623)</u> | <u>(45,846)</u> | <u>228,777</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Proceeds from sale of properties | | | | | | |
| Transfers in | | 37,246 | 37,246 | | 3,000 | 3,000 |
| Transfers (out) | (104,659) | (104,659) | | | | |
| Total Other Financing Sources (Uses) | <u>(104,659)</u> | <u>(67,413)</u> | <u>37,246</u> | | <u>3,000</u> | <u>3,000</u> |
| NET CHANGE IN FUND BALANCES | <u>\$338,050</u> | <u>183,566</u> | <u>(\$154,484)</u> | <u>(\$274,623)</u> | <u>(42,846)</u> | <u>\$231,777</u> |
| BEGINNING FUND BALANCES (DEFICITS) | | <u>640,779</u> | | | <u>892,308</u> | |
| ENDING FUND BALANCES (DEFICITS) | | <u>\$824,345</u> | | | <u>\$849,462</u> | |

| WASTE REDUCTION SURCHARGE | | | CURBSIDE RECYCLING | | | HOUSING DEVELOPMENT | | |
|---------------------------|-------------|--|--------------------|-----------|--|---------------------|-----------|--|
| Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| \$366,877 | \$417,938 | \$51,061 | | | | | | |
| 357,035 | 386,767 | 29,732 | | | | | | |
| 68,588 | 227,373 | 158,785 | \$3,700 | \$8,555 | \$4,855 | | \$7,699 | \$7,699 |
| | (1,353) | (1,353) | | | | | | |
| 792,500 | 1,030,725 | 238,225 | 3,700 | 8,555 | 4,855 | | 7,699 | 7,699 |
| | | | | | | | | |
| 760,998 | 465,474 | 295,524 | | | | | | |
| | | | | | | | | |
| 2,500 | 2,021 | 479 | | | | | | |
| | | | | | | | | |
| 763,498 | 467,495 | 296,003 | | | | | | |
| | | | | | | | | |
| 29,002 | 563,230 | 534,228 | 3,700 | 8,555 | 4,855 | | 7,699 | 7,699 |
| | | | | | | | | |
| (206,024) | (352,078) | (146,054) | (16,000) | (16,000) | | | | |
| (206,024) | (352,078) | (146,054) | (16,000) | (16,000) | | | | |
| | | | | | | | | |
| (\$177,022) | 211,152 | \$388,174 | (\$12,300) | (7,445) | \$4,855 | | 7,699 | \$7,699 |
| | 4,663,492 | | | 171,782 | | | 108,572 | |
| | \$4,874,644 | | | \$164,337 | | | \$116,271 | |

(Continued)

CITY OF ALAMEDA
BUDGETED NON-MAJOR FUNDS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | PARKING IN-LIEU | | | DIKE MAINTENANCE | | |
|--|-----------------|----------|--|------------------|-----------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| REVENUES | | | | | | |
| Property taxes | | | | | | |
| Other taxes | | | | | | |
| Licenses and permits | | | | | | |
| Revenue from other agencies | | | | | | |
| Charges for current services | | \$358 | \$358 | | | |
| Fines and forfeitures | | | | | | |
| Use of money and property | \$81,033 | 3,648 | (77,385) | \$1,000 | \$1,097 | \$97 |
| Affordable housing fee | | | | | | |
| Other | | | | | | |
| Total Revenues | 81,033 | 4,006 | (77,027) | 1,000 | 1,097 | 97 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | | | | | | |
| Public works | | | | | | |
| Development services | | | | | | |
| Culture and recreation | | | | | | |
| Housing and community services | 81,033 | | 81,033 | | | |
| Capital outlay | | | | | | |
| Debt service: | | | | | | |
| Principal | | | | | | |
| Interest and fiscal charges | | | | | | |
| Total Expenditures | 81,033 | | 81,033 | | | |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | 4,006 | 4,006 | 1,000 | 1,097 | 97 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Proceeds from sale of properties | | | | | | |
| Transfers in | | | | | | |
| Transfers (out) | | | | (118,974) | (118,974) | |
| Total Other Financing Sources (Uses) | | | | (118,974) | (118,974) | |
| NET CHANGE IN FUND BALANCES | | 4,006 | \$4,006 | (\$117,974) | (117,877) | \$97 |
| BEGINNING FUND BALANCES (DEFICITS) | | 73,160 | | | 118,974 | |
| ENDING FUND BALANCES (DEFICITS) | | \$77,166 | | | \$1,097 | |

| MARINA COVE MAINTENANCE DISTRICT 01-01 | | | TSM/TDM | | | PUBLIC ART | | |
|---|-----------|--|---------|----------|--|------------|----------|--|
| Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| \$81,017 | \$93,079 | \$12,062 | | | | | | |
| | | | | | | \$10,000 | \$11,750 | \$1,750 |
| | | | | \$22,722 | \$22,722 | | | |
| | 11,450 | 11,450 | | 2,715 | 2,715 | 3,000 | 2,067 | (933) |
| 81,017 | 104,529 | 23,512 | | 25,437 | 25,437 | 13,000 | 13,817 | 817 |
| 81,017 | 4,155 | 76,862 | | | | \$58 | \$58 | |
| 81,017 | 4,155 | 76,862 | | | | 58 | 58 | |
| | 100,374 | 100,374 | | 25,437 | 25,437 | 12,942 | 13,759 | 817 |
| 23,119 | | (23,119) | | | | | | |
| (63,119) | (25,708) | 37,411 | | | | (3,292) | (3,292) | |
| (40,000) | (25,708) | 14,292 | | | | (3,292) | (3,292) | |
| (\$40,000) | 74,666 | \$114,666 | | 25,437 | \$25,437 | \$9,650 | 10,467 | \$817 |
| | 210,315 | | | 41,584 | | | 32,918 | |
| | \$284,981 | | | \$67,021 | | | \$43,385 | |

CITY OF ALAMEDA
BUDGETED NON-MAJOR FUNDS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | HISTORICAL ADVISORY BOARD | | | POLICE BUILDING CERTIFICATES OF PARTICIPATION | | |
|--|---------------------------|--------|--|--|-----------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| REVENUES | | | | | | |
| Property taxes | | | | | | |
| Other taxes | | | | | | |
| Licenses and permits | \$600 | \$625 | | | | |
| Revenue from other agencies | | | | | | |
| Charges for current services | | | | | | |
| Fines and forfeitures | | | | | | |
| Use of money and property | 50 | 25 | (\$25) | | \$13,930 | \$13,930 |
| Affordable housing fee | | | | | | |
| Other | | | | | | |
| Total Revenues | 650 | 650 | (25) | | 13,930 | 13,930 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | | | | | | |
| Public works | | | | | | |
| Development services | | | | | | |
| Culture and recreation | | | | | | |
| Housing and community services | | | | | | |
| Capital outlay | | | | | | |
| Debt service: | | | | | | |
| Principal | | | | \$140,000 | 140,000 | |
| Interest and fiscal charges | | | | 104,540 | 104,467 | 73 |
| Total Expenditures | | | | 244,540 | 244,467 | 73 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 650 | 650 | | (244,540) | (230,537) | 14,003 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Proceeds from sale of properties | | | | | | |
| Transfers in | | | | 240,140 | 240,140 | |
| Transfers (out) | | | | | | |
| Total Other Financing Sources (Uses) | | | | 240,140 | 240,140 | |
| NET CHANGE IN FUND BALANCES | \$650 | 650 | | (\$4,400) | 9,603 | \$14,003 |
| BEGINNING FUND BALANCES (DEFICITS) | | | | | 230,756 | |
| ENDING FUND BALANCES (DEFICITS) | | \$650 | | | \$240,359 | |

| LIBRARY GOLF CERTIFICATES OF PARTICIPATION | | | 2002 CITY HALL REFINANCING CERTIFICATES OF PARTICIPATION | | | 2003 LIBRARY BOND | | |
|---|------------------|--|---|--------------------|--|-------------------|------------------|--|
| Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| | | | | | | \$660,000 | \$623,079 | (\$36,921) |
| | \$18,487 | \$18,487 | \$85,000 | \$84,769 | (\$231) | | 7,541 | 7,541 |
| | <u>18,487</u> | <u>18,487</u> | <u>85,000</u> | <u>84,769</u> | <u>(231)</u> | <u>660,000</u> | <u>630,620</u> | <u>(29,380)</u> |
| \$155,000 | 155,000 | | 375,000 | 375,000 | | 165,000 | 165,000 | |
| 222,475 | 222,473 | 2 | 455,638 | 455,557 | 81 | 493,250 | 493,250 | |
| 377,475 | 377,473 | 2 | 830,638 | 830,557 | 81 | 658,250 | 658,250 | |
| <u>(377,475)</u> | <u>(358,986)</u> | <u>18,489</u> | <u>(745,638)</u> | <u>(745,788)</u> | <u>(150)</u> | <u>1,750</u> | <u>(27,630)</u> | <u>(29,380)</u> |
| 372,775 | 372,775 | | 828,638 | 828,638 | | | | |
| <u>372,775</u> | <u>372,775</u> | | <u>828,638</u> | <u>828,638</u> | | | | |
| <u>(\$4,700)</u> | 13,789 | <u>\$18,489</u> | <u>\$83,000</u> | 82,850 | <u>(\$150)</u> | <u>\$1,750</u> | (27,630) | <u>(\$29,380)</u> |
| | <u>631,989</u> | | | <u>1,573,343</u> | | | <u>445,907</u> | |
| | <u>\$645,778</u> | | | <u>\$1,656,193</u> | | | <u>\$418,277</u> | |

(Continued)

CITY OF ALAMEDA
BUDGETED NON-MAJOR FUNDS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | COMMUNITY IMPROVEMENT COMMISSION SUBORDINATE BONDS | | | COMMUNITY IMPROVEMENT COMMISSION 2003 TAX ALLOCATION REFUNDING BONDS BWIP | | |
|--|---|-----------|--|---|-------------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| REVENUES | | | | | | |
| Property taxes | | | | | | |
| Other taxes | | | | | | |
| Licenses and permits | | | | | | |
| Revenue from other agencies | | | | | | |
| Charges for current services | | | | | | |
| Fines and forfeitures | | | | | | |
| Use of money and property | \$24,000 | \$24,243 | \$243 | \$65,000 | \$64,928 | (\$72) |
| Affordable housing fee | | | | | | |
| Other | | | | | | |
| Total Revenues | 24,000 | 24,243 | 243 | 65,000 | 64,928 | (72) |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | | | | | | |
| Public works | | | | | | |
| Development services | | | | | | |
| Culture and recreation | | | | | | |
| Housing and community services | | | | | | |
| Capital outlay | | | | | | |
| Debt service: | | | | | | |
| Principal retirements | 450,000 | 450,000 | | 200,000 | 200,000 | |
| Interest and fiscal charges | 291,636 | 290,563 | 1,073 | 836,569 | 835,087 | 1,482 |
| Total Expenditures | 741,636 | 740,563 | 1,073 | 1,036,569 | 1,035,087 | 1,482 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (717,636) | (716,320) | 1,316 | (971,569) | (970,159) | 1,410 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Proceeds from sale of properties | | | | | | |
| Transfers in | 740,036 | 740,036 | | 1,034,969 | 1,035,770 | 801 |
| Transfers (out) | | | | | | |
| Total Other Financing Sources (Uses) | 740,036 | 740,036 | | 1,034,969 | 1,035,770 | 801 |
| NET CHANGE IN FUND BALANCES | \$22,400 | 23,716 | \$1,316 | \$63,400 | 65,611 | \$2,211 |
| BEGINNING FUND BALANCES (DEFICITS) | | 547,693 | | | 1,515,475 | |
| ENDING FUND BALANCES (DEFICITS) | | \$571,409 | | | \$1,581,086 | |

| COMMUNITY IMPROVEMENT COMMISSION 2003 TAX ALLOCATION BONDS | | | ALAMEDA POINT IMPROVEMENT PROJECT 2003 REVENUE BOND | | | HUD 108 | | |
|---|--------------------|--|--|--------------------|--|------------------|----------------|--|
| Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| | | | | | | | \$82,397 | \$82,397 |
| \$214,000 | \$213,704 | (\$296) | \$88,000 | \$87,971 | (\$29) | | 8,563 | 8,563 |
| <u>214,000</u> | <u>213,704</u> | <u>(296)</u> | <u>88,000</u> | <u>87,971</u> | <u>(29)</u> | | <u>90,960</u> | <u>90,960</u> |
| 40,000 | 40,000 | | | | | | | |
| <u>2,692,359</u> | <u>2,692,328</u> | <u>31</u> | <u>400,000</u> | <u>596,197</u> | <u>(196,197)</u> | <u>\$82,397</u> | <u>82,397</u> | |
| <u>2,732,359</u> | <u>2,732,328</u> | <u>31</u> | <u>400,000</u> | <u>596,197</u> | <u>(196,197)</u> | <u>82,397</u> | <u>82,397</u> | |
| <u>(2,518,359)</u> | <u>(2,518,624)</u> | <u>(265)</u> | <u>(312,000)</u> | <u>(508,226)</u> | <u>(196,226)</u> | <u>(82,397)</u> | <u>8,563</u> | <u>90,960</u> |
| 2,729,859 | 2,729,859 | | 26,370 | 26,370 | | 500,000 | | (500,000) |
| <u>2,729,859</u> | <u>2,729,859</u> | | <u>26,370</u> | <u>26,370</u> | | <u>500,000</u> | | <u>(500,000)</u> |
| <u>\$211,500</u> | 211,235 | <u>(\$265)</u> | <u>(\$285,630)</u> | (481,856) | <u>(\$196,226)</u> | <u>\$417,603</u> | 8,563 | <u>(\$409,040)</u> |
| | <u>4,429,920</u> | | | <u>1,997,995</u> | | | | |
| | <u>\$4,641,155</u> | | | <u>\$1,516,139</u> | | | <u>\$8,563</u> | |

(Continued)

This Page Left Intentionally Blank

CITY OF ALAMEDA
BUDGETED NON-MAJOR FUNDS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | TRANSPORTATION IMPROVEMENT | | | LIBRARY CONSTRUCTION | | |
|--|----------------------------|-------------|--|----------------------|-----------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| REVENUES | | | | | | |
| Property taxes | | \$565,999 | \$565,999 | | | |
| Other taxes | | | | | | |
| Licenses and permits | | | | | | |
| Revenue from other agencies | | | | | \$117,535 | \$117,535 |
| Charges for current services | | | | | | |
| Fines and forfeitures | | | | | | |
| Use of money and property | | 51,617 | \$51,617 | | 16,414 | 16,414 |
| Affordable housing fee | | | | | | |
| Other | | | | | | |
| Total Revenues | | 617,616 | 617,616 | | 133,949 | 133,949 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | | | | | | |
| Public works | | | | | | |
| Development services | | | | | | |
| Culture and recreation | | | | | | |
| Housing and community services | | | | | | |
| Capital outlay | | 202 | | | 111,959 | (111,959) |
| Debt service: | | | | | | |
| Principal retirements | | | | | | |
| Interest and fiscal charges | | | | | | |
| Total Expenditures | | 202 | | | 111,959 | (111,959) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | 617,414 | 617,414 | | 21,990 | 21,990 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Proceeds from sale of properties | | | | | 19,380 | 19,380 |
| Transfers in | | | | | (745,297) | (745,297) |
| Transfers (out) | | (139,832) | (139,832) | | | |
| Total Other Financing Sources (Uses) | | (139,832) | (139,832) | | (725,917) | (725,917) |
| NET CHANGE IN FUND BALANCES | | 477,582 | \$477,582 | | (703,927) | (\$703,927) |
| BEGINNING FUND BALANCES (DEFICITS) | | 917,415 | | | 994,538 | |
| ENDING FUND BALANCES (DEFICITS) | | \$1,394,997 | | | \$290,611 | |

CITY OF ALAMEDA
BUDGETED NON-MAJOR FUNDS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | URBAN RUNOFF STORM DRAIN FEE | | | COMMUNITY FACILITY DISTRICT #1 | | |
|--|------------------------------|--------------------|--|--------------------------------|--------------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| REVENUES | | | | | | |
| Property taxes | \$2,629,337 | \$2,760,265 | \$130,928 | | | |
| Other taxes | | | | | | |
| Licenses and permits | | | | | | |
| Revenue from other agencies | | | | | | |
| Charges for current services | | 1,146 | 1,146 | | | |
| Fines and forfeitures | | | | | | |
| Use of money and property | 58,074 | 231,823 | 173,749 | \$25 | \$11 | (\$14) |
| Affordable housing fee | | | | | | |
| Other | | \$3,000 | 3,000 | | | |
| Total Revenues | <u>2,687,411</u> | <u>2,996,234</u> | <u>308,823</u> | <u>25</u> | <u>11</u> | <u>(14)</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | | | | | | |
| Public works | | | | | | |
| Development services | | | | | | |
| Culture and recreation | | | | | | |
| Housing and community services | | | | | | |
| Capital outlay | 1,460,973 | 1,411,219 | 49,754 | | | |
| Debt service: | | | | | | |
| Principal retirements | | | | | | |
| Interest and fiscal charges | | | | | | |
| Total Expenditures | <u>1,460,973</u> | <u>1,411,219</u> | <u>49,754</u> | | | |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>1,226,438</u> | <u>1,585,015</u> | <u>358,577</u> | <u>25</u> | <u>11</u> | <u>(14)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Proceeds from sale of properties | | | | | | |
| Transfers in | 66,307 | 66,307 | | | | |
| Transfers (out) | (2,475,058) | (909,560) | 1,565,498 | | | |
| Total Other Financing Sources (Uses) | <u>(2,408,751)</u> | <u>(843,253)</u> | <u>1,565,498</u> | | | |
| NET CHANGE IN FUND BALANCES | <u>(\$1,182,313)</u> | 741,762 | <u>\$1,924,075</u> | <u>\$25</u> | 11 | <u>(\$14)</u> |
| BEGINNING FUND BALANCES (DEFICITS) | | <u>4,600,417</u> | | | <u>215</u> | |
| ENDING FUND BALANCES | | <u>\$5,342,179</u> | | | <u>\$226</u> | |

| COMMUNITY FACILITY DISTRICT #2 | | | HARBOR BAY ISLE 92-1 SPECIAL ASSESSMENT DISTRICT | | | MARINA VILLAGE 89-1 SPECIAL ASSESSMENT DISTRICT | | |
|--------------------------------|------------------|--|---|--------------------|--|--|--------------------|--|
| Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| | | | | \$24,814 | \$24,814 | | | |
| \$18,000 | \$18,718 | \$718 | | 59,252 | 59,252 | | \$139,883 | \$139,883 |
| <u>18,000</u> | <u>18,718</u> | <u>718</u> | | <u>84,066</u> | <u>84,066</u> | | <u>139,883</u> | <u>139,883</u> |
| | 1,482 | (1,482) | | 70,002 | (70,002) | | 15,735 | (15,735) |
| | <u>1,482</u> | <u>(1,482)</u> | | <u>70,002</u> | <u>(70,002)</u> | | <u>15,735</u> | <u>(15,735)</u> |
| <u>18,000</u> | <u>17,236</u> | <u>(764)</u> | | <u>14,064</u> | <u>14,064</u> | | <u>124,148</u> | <u>124,148</u> |
| <u>(489,147)</u> | <u>(487,660)</u> | <u>1,487</u> | | | | | | |
| <u>(489,147)</u> | <u>(487,660)</u> | <u>1,487</u> | | | | | | |
| <u>(\$471,147)</u> | <u>(470,424)</u> | <u>\$723</u> | | <u>14,064</u> | <u>\$14,064</u> | | <u>124,148</u> | <u>\$124,148</u> |
| | <u>477,221</u> | | | <u>1,155,714</u> | | | <u>2,635,985</u> | |
| | <u>\$6,797</u> | | | <u>\$1,169,778</u> | | | <u>\$2,760,133</u> | |

(Continued)

CITY OF ALAMEDA
BUDGETED NON-MAJOR FUNDS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | CITYWIDE DEVELOPMENT FEE | | | WASTEWATER CAPITAL RESERVE | | |
|--|--------------------------|-------------|--|----------------------------|----------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| REVENUES | | | | | | |
| Property taxes | | | | | | |
| Other taxes | | | | | | |
| Licenses and permits | | \$585,945 | | | | |
| Revenue from other agencies | | | | | | |
| Charges for current services | | | | | | |
| Fines and forfeitures | | | | | | |
| Use of money and property | | 85,156 | \$85,156 | | \$851 | \$851 |
| Affordable housing fee | | | | | | |
| Other | | | | | | |
| Total Revenues | | 671,101 | 85,156 | | 851 | 851 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | | | | | | |
| Public works | | | | | | |
| Development services | | | | | | |
| Culture and recreation | | | | | | |
| Housing and community services | | | | | | |
| Capital outlay | | | | | | |
| Debt service: | | | | | | |
| Principal retirements | | | | | | |
| Interest and fiscal charges | | | | | | |
| Total Expenditures | | | | | | |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | 671,101 | 671,101 | | 851 | 851 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Proceeds from sale of properties | | | | | | |
| Transfers in | | | | | 8,120 | 8,120 |
| Transfers (out) | | | | | | |
| Total Other Financing Sources (Uses) | | | | | 8,120 | 8,120 |
| NET CHANGE IN FUND BALANCES | | 671,101 | \$671,101 | | 8,971 | \$8,971 |
| BEGINNING FUND BALANCES (DEFICITS) | | 1,333,088 | | | 16,393 | |
| ENDING FUND BALANCES (DEFICITS) | | \$2,004,189 | | | \$25,364 | |

| OPEN SPACE IMPROVEMENT | | | ALAMEDA POINT IMPROVEMENT PROJECT 2003 REVENUE BONDS | | |
|------------------------|--------------------|--|---|------------------|--|
| Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| | \$41,914 | \$41,914 | | \$28,807 | \$28,807 |
| | 41,914 | 41,914 | | 28,807 | 28,807 |
| | | | | 1,376 | (1,376) |
| | | | | 1,376 | (1,376) |
| | 41,914 | 41,914 | | 27,431 | 27,431 |
| | 61,254 | 61,254 | | (209,072) | (209,072) |
| | 61,254 | 61,254 | | (209,072) | (209,072) |
| | 103,168 | \$103,168 | | (181,641) | (\$181,641) |
| | 917,559 | | | 597,189 | |
| | <u>\$1,020,727</u> | | | <u>\$415,548</u> | |

This Page Left Intentionally Blank

INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

The concept of major funds introduced by GASB Statement 34 does not extend to internal service funds because they do not do business with outside parties. GASB Statement 34 requires that for the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments, which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Assets.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below.

CENTRAL STORE

This fund accounts for the City central store's operation. The source of revenue is reimbursement of costs for items purchased by other departments.

CENTRAL GARAGE

This fund accounts for the maintenance and replacement of vehicles and equipment used by all City departments. Source of revenue for this fund is on reimbursement of costs for services and supplies purchased by other departments.

TECHNOLOGY SERVICES

This fund accounts for computer and telephone charges and information system upgrades.

WORKERS' COMPENSATION INSURANCE

This fund accounts for the administration of the City's workers' compensation program and payment of workers' compensation claim payments.

RISK MANAGEMENT INSURANCE

This fund accounts for the administration of the City's risk management program and payment of general liability claim payments.

UNEMPLOYMENT INSURANCE

This fund accounts for the administration of the City's unemployment insurance program and payment of unemployment claim payments.

POST EMPLOYMENT

This fund accounts for charges of post-employment benefits.

CITY OF ALAMEDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2007

| | Central Store | Central Garage | Technology Services | Workers' Compensation Insurance |
|---|------------------|-------------------|------------------------|---------------------------------------|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | \$98,956 | \$181,436 | \$136,022 | \$146,299 |
| Accounts receivable | 19,762 | 8,819 | 24,169 | 140,020 |
| Prepays and deposits | | | 19,003 | 135,000 |
| Total Current Assets | 118,718 | 190,255 | 179,194 | 421,319 |
| Capital assets, depreciable, net | | | 801,605 | |
| Total Assets | 118,718 | 190,255 | 980,799 | 421,319 |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts payable | 40,874 | 34,693 | 8,561 | 185 |
| Accrued payroll | | | | 2,907 |
| Due to other funds | | | | |
| Claims payable | | | | 5,874,581 |
| Total Current Liabilities | 40,874 | 34,693 | 8,561 | 5,877,673 |
| Long-term Debt: | | | | |
| Due within one year | | | 192,821 | |
| Due in more than one year | | | 369,574 | |
| Total Long-Term Debt | | | 562,395 | |
| Total Liabilities | 40,874 | 34,693 | 570,956 | 5,877,673 |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | | | 432,031 | |
| Unrestricted | 77,844 | 155,562 | (22,188) | (5,456,354) |
| Total Net Assets (Deficits) | \$77,844 | \$155,562 | \$409,843 | (\$5,456,354) |

| <u>Risk Management Insurance</u> | <u>Unemployment Insurance</u> | <u>Post - Employment</u> | <u>Total</u> |
|--|-----------------------------------|------------------------------|---------------|
| \$336,315 | \$1,383 | | \$900,411 |
| 12,920 | | | 205,690 |
| | 405 | \$6,567 | 160,975 |
| 349,235 | 1,788 | 6,567 | 1,267,076 |
| | | | 801,605 |
| 349,235 | 1,788 | 6,567 | 2,068,681 |
| 122,437 | | | 206,750 |
| 5,554 | | | 8,461 |
| | | 6,567 | 6,567 |
| 1,185,842 | | | 7,060,423 |
| 1,313,833 | | 6,567 | 7,282,201 |
| | | | 192,821 |
| | | | 369,574 |
| | | | 562,395 |
| 1,313,833 | | 6,567 | 7,844,596 |
| | | | 432,031 |
| (964,598) | 1,788 | | (6,207,946) |
| (\$964,598) | \$1,788 | | (\$5,775,915) |

CITY OF ALAMEDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | Central Store | Central Garage | Technology Services | Workers' Compensation Insurance |
|--|------------------------|-------------------------|-------------------------|---------------------------------------|
| OPERATING REVENUES | | | | |
| Charges for services | <u>\$772,552</u> | <u>\$397,870</u> | <u>\$911,867</u> | <u>\$1,884,059</u> |
| Total Operating Revenues | <u>772,552</u> | <u>397,870</u> | <u>911,867</u> | <u>1,884,059</u> |
| OPERATING EXPENSES | | | | |
| General administrative | | 293,801 | 202,811 | 956 |
| Wages and benefits | | | | 194,683 |
| Insurance | | | | 1,702,297 |
| Contractual services | 300,640 | 42,981 | 486,953 | (8,425) |
| Supplies and maintenance | 487,018 | (2,279) | 534 | |
| Depreciation | | | 106,375 | |
| Total Operating Expenses | <u>787,658</u> | <u>334,503</u> | <u>796,673</u> | <u>1,889,511</u> |
| Operating Income (Loss) | <u>(15,106)</u> | <u>63,367</u> | <u>115,194</u> | <u>(5,452)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Interest income | 10,665 | 6,256 | 17,234 | |
| Interest (expense) | | | (39,476) | |
| Total Nonoperating Revenues (Expenses) | <u>10,665</u> | <u>6,256</u> | <u>(22,242)</u> | |
| Income (Loss) Before Transfers | <u>(4,441)</u> | <u>69,623</u> | <u>92,952</u> | <u>(5,452)</u> |
| Transfers in | 771 | 7,059 | | 4,208 |
| Transfers (out) | | | | |
| Net Transfers | <u>771</u> | <u>7,059</u> | | <u>4,208</u> |
| Change in Net Assets | <u>(3,670)</u> | <u>76,682</u> | <u>92,952</u> | <u>(1,244)</u> |
| BEGINNING NET ASSETS (DEFICITS) | <u>81,514</u> | <u>78,880</u> | <u>316,891</u> | <u>(5,455,110)</u> |
| ENDING NET ASSETS (DEFICITS) | <u><u>\$77,844</u></u> | <u><u>\$155,562</u></u> | <u><u>\$409,843</u></u> | <u><u>(\$5,456,354)</u></u> |

| <u>Risk Management Insurance</u> | <u>Unemployment Insurance</u> | <u>Post - Employment</u> | <u>Total</u> |
|--|-----------------------------------|------------------------------|----------------------|
| <u>\$1,139,307</u> | <u>\$30,501</u> | <u>\$1,510,900</u> | <u>\$6,647,056</u> |
| <u>1,139,307</u> | <u>30,501</u> | <u>1,510,900</u> | <u>6,647,056</u> |
| 16,203 | 39,373 | | 553,144 |
| 456,663 | | | 651,346 |
| 1,214,830 | | 1,510,900 | 4,428,027 |
| 862,427 | 1,620 | | 1,686,196 |
| | | | 485,273 |
| | | | 106,375 |
| <u>2,550,123</u> | <u>40,993</u> | <u>1,510,900</u> | <u>7,910,361</u> |
| <u>(1,410,816)</u> | <u>(10,492)</u> | | <u>(1,263,305)</u> |
| 15,937 | 321 | | 50,413 |
| | | | (39,476) |
| <u>15,937</u> | <u>321</u> | | <u>10,937</u> |
| <u>(1,394,879)</u> | <u>(10,171)</u> | | <u>(1,252,368)</u> |
| 85,728 | 1,500 | | 99,266 |
| (75,901) | | | (75,901) |
| <u>9,827</u> | <u>1,500</u> | | <u>23,365</u> |
| <u>(1,385,052)</u> | <u>(8,671)</u> | | <u>(1,229,003)</u> |
| <u>420,454</u> | <u>10,459</u> | | <u>(4,546,912)</u> |
| <u>(\$964,598)</u> | <u>\$1,788</u> | | <u>(\$5,775,915)</u> |

CITY OF ALAMEDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2007

| | Central Store | Central Garage | Technology Services | Workers' Compensation Insurance |
|---|-------------------|-------------------|------------------------|---------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers | \$765,677 | \$393,561 | \$887,928 | \$1,789,503 |
| Payments to suppliers | (789,218) | (340,447) | (710,391) | (48,931) |
| Payments to employees | | | | (195,169) |
| Claims paid | | | | (1,784,169) |
| Cash Flows from Operating Activities | (23,541) | 53,114 | 177,537 | (238,766) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Interfund payments | | | | |
| Transfers net | 771 | 7,059 | | 4,208 |
| Cash Flows from Noncapital Financing Activities | 771 | 7,059 | | 4,208 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Acquisition of capital assets, net | | | (149,550) | |
| Principal payments on capital debt | (142,038) | | (192,821) | |
| Interest paid on capital debt | | | (39,476) | |
| Cash Flows from Capital and Related Financing Activities | (142,038) | | (381,847) | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest income | 10,665 | 6,256 | 17,234 | |
| Net Cash Flows | (154,143) | 66,429 | (187,076) | (234,558) |
| Cash and investments at beginning of period | 253,099 | 115,007 | 323,098 | 380,857 |
| Cash and investments at end of period | <u>\$98,956</u> | <u>\$181,436</u> | <u>\$136,022</u> | <u>\$146,299</u> |
| Reconciliation of operating income (loss) to net cash flows from operating activities: | | | | |
| Operating income (loss) | (\$15,106) | \$63,367 | \$115,194 | (\$5,452) |
| Adjustments to reconcile operating income to cash flows from operating activities: | | | | |
| Depreciation | | | 106,375 | |
| Change in assets and liabilities: | | | | |
| Accounts receivable | (6,875) | (4,309) | (23,939) | (94,556) |
| Prepays and deposits | | | | |
| Accounts payable | (1,560) | (5,944) | (20,093) | (57,356) |
| Claims payable | | | | (81,872) |
| Accrued payroll | | | | 470 |
| Cash Flows from Operating Activities | (\$23,541) | \$53,114 | \$177,537 | (\$238,766) |

| <u>Risk Management Insurance</u> | <u>Unemployment Insurance</u> | <u>Post - Employment</u> | <u>Total</u> |
|--|-----------------------------------|------------------------------|----------------------|
| \$1,126,387 | \$30,501 | \$1,510,900 | \$6,504,457 |
| (990,918) | (2,025) | (1,517,467) | (4,399,397) |
| (472,724) | (39,373) | | (707,266) |
| (975,853) | | | (2,760,022) |
| <u>(1,313,108)</u> | <u>(10,897)</u> | <u>(6,567)</u> | <u>(1,362,228)</u> |
| | | 6,567 | 6,567 |
| <u>9,827</u> | <u>1,500</u> | | <u>23,365</u> |
| <u>9,827</u> | <u>1,500</u> | <u>6,567</u> | <u>29,932</u> |
| | | | (149,550) |
| | | | (334,859) |
| | | | (39,476) |
| | | | <u>(523,885)</u> |
| <u>15,937</u> | <u>321</u> | | <u>50,413</u> |
| (1,287,344) | (9,076) | | (1,805,768) |
| <u>1,623,659</u> | <u>10,459</u> | | <u>2,706,179</u> |
| <u>\$336,315</u> | <u>\$1,383</u> | | <u>\$900,411</u> |
| | | | |
| (1,410,816) | (10,492) | | 106,375 |
| | | | (142,599) |
| (12,920) | (405) | (\$6,567) | (6,972) |
| (128,491) | | | (213,444) |
| 238,977 | | | 157,105 |
| 142 | | | 612 |
| <u>(1,313,108)</u> | <u>(10,897)</u> | <u>(\$6,567)</u> | <u>(\$1,362,228)</u> |

This Page Left Intentionally Blank

| |
|------------------------|
| FIDUCIARY FUNDS |
|------------------------|

GASB Statement 34 requires that Pension Funds and Agency Funds be presented separately from the Government-wide and Fund financial statements.

PENSION TRUST FUNDS

Pension Trust Funds are used to report and account for resources that are required to be held in trust for the members and beneficiaries of the City's defined benefit pension plan.

POLICE AND FIRE PENSION #1079

This fund accounts for the resources accumulated for the payment of pension benefits enacted under plan #1079.

POLICE AND FIRE PENSION #1082

This fund accounts for the resources accumulated for the payment of pension benefits enacted under plan #1082.

AGENCY FUNDS

Agency Funds account for assets held by the City as agent for individuals, governmental entities, and non-public organizations. These funds include the following:

ASSESSMENT DISTRICTS

This fund accounts for cash and investments held on behalf of assessment districts formed within the City. The City is not obligated for repayment of any debt issued by these assessment districts.

WASTE MANAGEMENT JRRRC TRUST (JOINT REFUSE RATE REVIEW COMMITTEE)

This fund accounts for refuse charges collected to pay for operations of the committee.

MASTICK SENIOR CENTER TRUST FUND

This fund accounts for asset held for Mastic Senior Center Advisory Board to provide services and facilities which enhance the quality of life of senior citizens.

CITY OF ALAMEDA
PENSION TRUST FUNDS
COMBINING BALANCE SHEET
June 30, 2007

| | PENSION TRUST FUNDS | | |
|---------------------------------|-------------------------------------|-------------------------------------|------------|
| | Police and Fire Pension #1079 | Police and Fire Pension #1082 | Total |
| ASSETS | | | |
| Restricted cash and investments | \$0 | \$0 | \$0 |
| Total Assets | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| FUND BALANCE | | | |
| Reserved for: | | | |
| Employees' pension benefits | \$0 | \$0 | \$0 |
| Total Equity | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

CITY OF ALAMEDA
PENSION TRUST FUNDS
COMBINING STATEMENTS OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | PENSION TRUST FUNDS | | |
|---|---------------------|------------|-------------|
| | Plan #1079 | Plan #1082 | TOTALS |
| ADDITIONS | | | |
| Employer contributions | \$3,020,348 | \$42,246 | \$3,062,594 |
| Total Additions | 3,020,348 | 42,246 | 3,062,594 |
| DEDUCTIONS | | | |
| Retirement and other benefits | 3,016,190 | 40,967 | 3,057,157 |
| Contractual services | 4,158 | 1,279 | 5,437 |
| Total Deductions | 3,020,348 | 42,246 | 3,062,594 |
| INCREASE (DECREASE) IN NET ASSETS | 0 | 0 | 0 |
| NET ASSETS HELD IN (DUE TO) TRUST FOR PENSION BENEFITS | | | |
| Beginning of year | 0 | 0 | 0 |
| End of year | \$0 | \$0 | \$0 |

CITY OF ALAMEDA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

| | Balance June 30, 2006 | Additions | Deductions | Balance June 30, 2007 |
|-------------------------------------|--------------------------|---------------------|---------------------|--------------------------|
| <u>Assessment Districts</u> | | | | |
| <u>Assets</u> | | | | |
| Restricted cash and investments | \$56,012,431 | \$13,061,182 | \$18,232,945 | \$50,840,668 |
| Accounts receivable | 41,991 | 162,166 | 41,991 | 162,166 |
| Total Assets | <u>\$56,054,422</u> | <u>\$13,223,348</u> | <u>\$18,274,936</u> | <u>\$51,002,834</u> |
| <u>Liabilities</u> | | | | |
| Due to bondholders | <u>\$56,054,422</u> | <u>\$13,223,348</u> | <u>\$18,274,936</u> | <u>\$51,002,834</u> |
| Refundable deposits | | | | |
| <u>Waste Management JRRRC Trust</u> | | | | |
| <u>Assets</u> | | | | |
| Restricted cash and investments | <u>\$133,012</u> | <u>\$6,629</u> | | <u>\$139,641</u> |
| <u>Liabilities</u> | | | | |
| Refundable deposits | <u>\$133,012</u> | <u>\$6,629</u> | | <u>\$139,641</u> |
| <u>Mastick Senior Center</u> | | | | |
| <u>Assets</u> | | | | |
| Restricted cash and investments | | <u>\$386,509</u> | | <u>\$386,509</u> |
| <u>Liabilities</u> | | | | |
| Due to members | | <u>\$386,509</u> | | <u>\$386,509</u> |
| <u>Totals- All Agency Funds</u> | | | | |
| <u>Assets</u> | | | | |
| Restricted cash and investments | \$56,145,443 | \$13,454,320 | \$18,232,945 | \$51,366,818 |
| Accounts receivable | 41,991 | 162,166 | 41,991 | 162,166 |
| Total Assets | <u>\$56,187,434</u> | <u>\$13,616,486</u> | <u>\$18,274,936</u> | <u>\$51,528,984</u> |
| <u>Liabilities</u> | | | | |
| Refundable deposits | \$133,012 | \$6,629 | | \$139,641 |
| Due to members | | 386,509 | | 386,509 |
| Due to bondholders | 56,054,422 | 13,223,348 | 18,274,936 | 51,002,834 |
| Total Liabilities | <u>\$56,187,434</u> | <u>\$13,616,486</u> | <u>\$18,274,936</u> | <u>\$51,528,984</u> |

STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information discusses about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time:

1. Net Assets by Component
2. Changes in Net Assets
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Assessed and Estimated Actual Value of Taxable Property
2. Property Tax Rates, All Direct and Overlapping Governments
3. Principal Property Taxpayers
4. Property Tax Levies and Collections

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Ratio of Outstanding Debt by Type
2. Ratio of General Bonded Debt Outstanding
3. Computation of Direct and Overlapping Debt
4. Computation of Legal Bonded Debt Margin
5. Sewer Fund Debt Service
6. Bonded Debt Pledged Revenue Coverage, CIC Revenue Bonds and Tax Allocation Bonds

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers
3. Full-Time Equivalent City Government Employees by Function

Operating Information

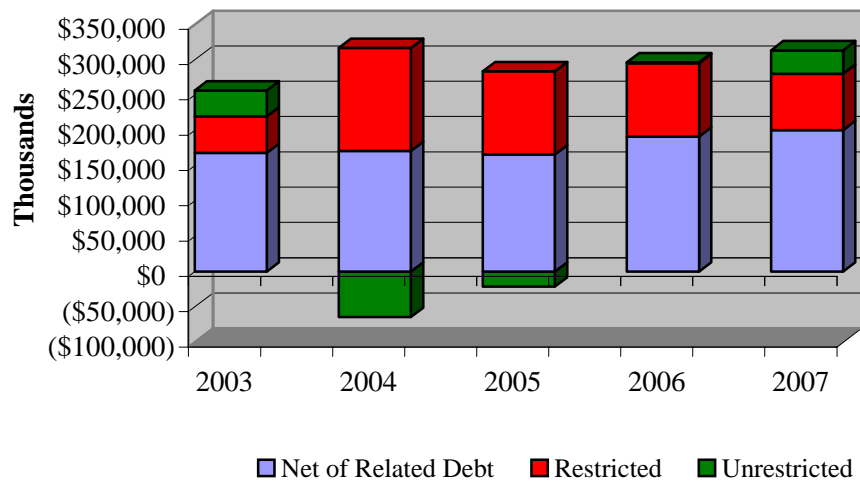
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

CITY OF ALAMEDA
Net Assets by Component
Last Five Fiscal Years
(accrual basis of accounting)



| | 2003 | 2004 | 2005 | 2006 | 2007 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental activities | | | | | |
| Invested in capital assets, net of related debt | \$116,456,794 | \$132,621,927 | \$124,741,406 | \$149,626,890 | \$158,716,508 |
| Restricted | 51,888,403 | 144,673,265 | 116,647,178 | 102,723,054 | 79,816,104 |
| Unrestricted | 19,237,422 | (81,824,156) | (40,784,740) | (18,104,392) | 13,312,902 |
| Total governmental activities net assets | <u>\$187,582,619</u> | <u>\$195,471,036</u> | <u>\$200,603,844</u> | <u>\$234,245,552</u> | <u>\$251,845,514</u> |
| Business-type activities | | | | | |
| Invested in capital assets, net of related debt | \$51,668,490 | \$38,512,292 | \$41,430,248 | \$41,606,226 | \$41,973,568 |
| Restricted | | 1,083,977 | 1,106,890 | 1,145,471 | |
| Unrestricted | 17,280,942 | 17,488,537 | 19,470,915 | 19,401,658 | 19,774,563 |
| Total business-type activities net assets | <u>\$68,949,432</u> | <u>\$57,084,806</u> | <u>\$62,008,053</u> | <u>\$62,153,355</u> | <u>\$61,748,131</u> |
| Primary government | | | | | |
| Invested in capital assets, net of related debt | \$168,125,284 | \$171,134,219 | \$166,171,654 | \$191,233,116 | \$200,690,076 |
| Restricted | 51,888,403 | 145,757,242 | 117,754,068 | 103,868,525 | 79,816,104 |
| Unrestricted | 36,518,364 | (64,335,619) | (21,313,825) | 1,297,266 | 33,087,465 |
| Total primary government net assets | <u>\$256,532,051</u> | <u>\$252,555,842</u> | <u>\$262,611,897</u> | <u>\$296,398,907</u> | <u>\$313,593,645</u> |

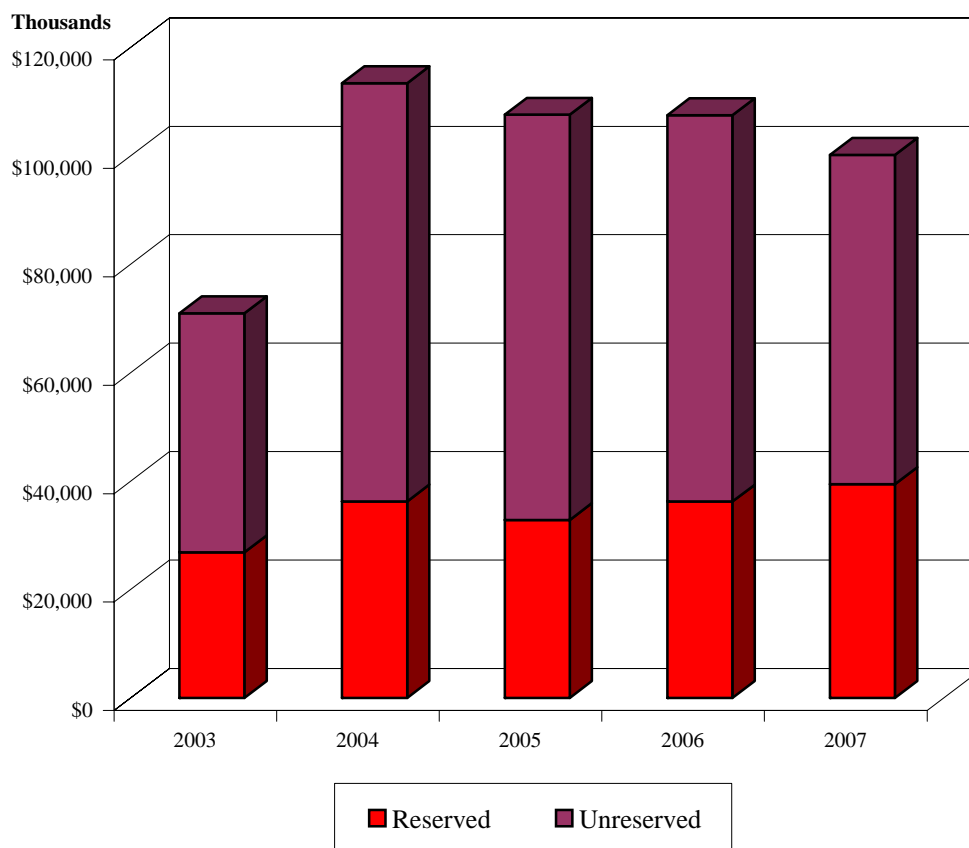
CITY OF ALAMEDA
Changes in Net Assets
Last Five Fiscal Years
(Accrual Basis of Accounting)

| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Expenses | | | | | |
| Governmental Activities: | | | | | |
| General Government | \$11,314,930 | \$11,892,299 | \$15,395,113 | \$17,477,965 | \$20,160,089 |
| Police | 21,343,437 | 22,502,026 | 22,074,065 | 25,255,793 | 25,632,978 |
| Fire | 18,361,188 | 18,648,073 | 19,667,256 | 20,520,453 | 23,911,788 |
| Public Works | 13,654,427 | 12,263,391 | 13,990,352 | 5,374,200 | 4,465,955 |
| Development Services | 16,665,180 | 18,215,641 | 17,920,317 | 14,093,939 | 22,986,738 |
| Culture and Recreation | 6,599,712 | 8,625,168 | 6,758,918 | 7,114,677 | 7,730,394 |
| Housing and Community Services | 6,155,962 | 5,059,414 | 4,687,684 | 3,395,317 | 5,802,261 |
| Interest on Long Term Debt | 4,130,840 | 9,767,781 | 6,429,215 | 5,918,480 | 6,307,727 |
| Total Governmental Activities Expenses | <u>98,225,676</u> | <u>106,973,793</u> | <u>106,922,920</u> | <u>99,150,824</u> | <u>116,997,930</u> |
| Business-Type Activities: | | | | | |
| Ferry Services | 5,228,012 | 3,439,322 | 3,539,277 | 3,478,994 | 3,274,613 |
| Golf Course | 4,224,577 | 4,338,367 | 4,400,252 | 4,508,404 | 4,645,595 |
| Sewer Service | 3,374,862 | 3,921,506 | 3,632,512 | 3,756,084 | 4,244,145 |
| Total Business-Type Activities Expenses | <u>12,827,451</u> | <u>11,699,195</u> | <u>11,572,041</u> | <u>11,743,482</u> | <u>12,164,353</u> |
| Total Primary Government Expenses | <u>\$111,053,127</u> | <u>\$118,672,988</u> | <u>\$118,494,961</u> | <u>\$110,894,306</u> | <u>\$129,162,283</u> |
| Component Units: | | | | | |
| Housing Authority | \$25,944,248 | \$26,122,570 | \$25,742,559 | \$23,458,406 | \$25,890,669 |
| Power & Telecom | 48,808,125 | 54,710,878 | 57,956,365 | 60,987,054 | 63,267,230 |
| Total Component Units | <u>\$74,752,373</u> | <u>\$80,833,448</u> | <u>\$83,698,924</u> | <u>\$84,445,460</u> | <u>\$89,157,899</u> |
| Program Revenues | | | | | |
| Governmental Activities: | | | | | |
| Charges for Services: | | | | | |
| General Government | \$2,631,863 | \$12,761,494 | \$13,294,972 | \$13,804,737 | \$13,697,081 |
| Police | 1,237,479 | 197,252 | 190,052 | 217,551 | 179,212 |
| Fire | 1,724,050 | 95,384 | 90,640 | 79,718 | |
| Public Works | 2,964,261 | 731,746 | 782,578 | 848,390 | 1,488,380 |
| Development Services | 15,277,921 | 13,103,655 | 11,891,979 | 12,395,013 | 13,265,740 |
| Culture and Recreation | 1,462,654 | 1,399,564 | 2,581,142 | 2,926,120 | 1,940,528 |
| Operating Grants and Contributions | 7,095,519 | 10,397,197 | 8,170,805 | 16,571,222 | 14,350,320 |
| Capital Grants and Contributions | 8,853,630 | 8,722,254 | 10,946,725 | 15,576,210 | 11,063,279 |
| Total Government Activities Program Revenues | <u>41,247,377</u> | <u>47,408,546</u> | <u>47,948,893</u> | <u>62,418,961</u> | <u>55,984,540</u> |
| Business-Type Activities: | | | | | |
| Charges for Services: | | | | | |
| Ferry Services | | | | | 17,726 |
| Golf Course | 4,991,613 | 4,730,019 | 4,259,968 | 3,859,518 | 4,226,422 |
| Sewer Service | 5,091,934 | 5,179,831 | 5,356,564 | 5,252,893 | 5,667,296 |
| Operating Grants and Contributions | 3,715,911 | 1,878,270 | 6,683,481 | 2,279,492 | 1,990,515 |
| Total Business-Type Activities Program Revenue | <u>13,799,458</u> | <u>11,788,120</u> | <u>16,300,013</u> | <u>11,391,903</u> | <u>11,884,233</u> |
| Total Primary Government Program Revenues | <u>\$55,046,835</u> | <u>\$59,196,666</u> | <u>\$64,248,906</u> | <u>\$73,810,864</u> | <u>\$67,868,773</u> |
| Component Units: | | | | | |
| Charges for Services: | | | | | |
| Housing Authority | \$2,927,404 | \$3,056,974 | \$3,366,326 | \$3,162,738 | \$3,368,311 |
| Power & Telecom | 43,466,487 | 50,952,137 | 58,103,776 | 61,937,553 | 60,552,680 |
| Operating Grants and Contributions | 22,967,145 | 23,420,341 | 22,357,796 | 24,594,124 | 27,623,882 |
| Total Component Units Program Revenues | <u>\$69,361,036</u> | <u>\$77,429,452</u> | <u>\$83,827,898</u> | <u>\$89,694,415</u> | <u>\$91,544,873</u> |
| Net (Expense)/Revenue | | | | | |
| Governmental Activities | (\$56,978,299) | (\$59,565,247) | (\$58,974,027) | (\$36,731,863) | (\$61,013,390) |
| Business-Type Activities | 972,007 | 88,925 | 4,727,972 | (351,579) | (262,394) |
| Component Units Activities | (5,391,337) | (3,403,996) | 128,974 | 5,248,955 | 2,386,974 |
| Total Primary Government Net Expense | <u>(\$56,006,292)</u> | <u>(\$59,476,322)</u> | <u>(\$54,246,055)</u> | <u>(\$31,834,487)</u> | <u>(\$58,888,810)</u> |

CITY OF ALAMEDA
Changes in Net Assets
(continued)
Last Five Fiscal Years
(Accrual Basis of Accounting)

| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|---|----------------------|----------------------|---------------------|---------------------|---------------------|
| General Revenues and Other Changes in Net Assets | | | | | |
| Governmental Activities: | | | | | |
| Taxes: | | | | | |
| Property Taxes | \$15,987,519 | \$17,773,235 | \$19,007,465 | \$21,332,157 | \$26,137,534 |
| Incremental property tax | 7,739,233 | 7,993,279 | 8,956,569 | 11,178,320 | 12,266,563 |
| Urban runoff special assessments | 2,290,320 | 2,514,813 | 894,930 | 851,005 | 2,668,301 |
| Sales Taxes | 5,430,564 | 5,551,361 | 4,756,425 | 4,580,600 | 4,967,130 |
| Utility Users Tax | | | | 8,328,131 | 8,702,101 |
| Transfer Tax | | | | 6,601,412 | 4,177,736 |
| Other Taxes | 14,410,517 | 15,654,287 | 18,780,327 | 7,200,067 | 7,184,959 |
| Motor Vehicle In-Lieu | 4,123,899 | 3,438,362 | 5,083,751 | 5,982,971 | 5,479,921 |
| Use of Money and properties | 3,306,730 | 876,633 | 2,898,323 | 2,695,888 | 5,897,661 |
| Gain/Loss from disposal of capital assets | (7,578,352) | 1,312,894 | | | |
| Miscellaneous | 413,199 | 34,145 | 3,435,857 | 1,215,942 | 345,906 |
| Transfers | (16,347,856) | 12,304,655 | 293,188 | 407,078 | 1,293,540 |
| Total Government Activities | <u>29,775,773</u> | <u>67,453,664</u> | <u>64,106,835</u> | <u>70,373,571</u> | <u>79,121,352</u> |
| Business-Type Activities: | | | | | |
| Use of Money and properties | 983,739 | 282,361 | 486,455 | 646,149 | 1,004,169 |
| Miscellaneous | 1,686 | 68,743 | 2,008 | 257,810 | 146,541 |
| Transfers | 18,847,856 | (12,304,655) | (293,188) | (407,078) | (1,293,540) |
| Total Business-Type Activities | <u>19,833,281</u> | <u>(11,953,551)</u> | <u>195,275</u> | <u>496,881</u> | <u>(142,830)</u> |
| Total Primary Government | <u>\$49,609,054</u> | <u>\$55,500,113</u> | <u>\$64,302,110</u> | <u>\$70,870,452</u> | <u>\$77,827,812</u> |
| Component Units Activities: | | | | | |
| Use of Money and properties | \$437,429 | \$341,058 | \$2,369,805 | \$2,315,772 | \$2,804,872 |
| Miscellaneous | 2,707,172 | | | | |
| Transfers | (2,500,000) | | | | |
| Total Component Units Activities | <u>\$644,601</u> | <u>\$341,058</u> | <u>\$2,369,805</u> | <u>\$2,315,772</u> | <u>\$2,804,872</u> |
| Change in Net Assets | | | | | |
| Governmental Activities | (\$27,202,526) | \$7,888,417 | \$5,132,808 | \$33,641,708 | \$18,107,962 |
| Business-Type Activities | 20,805,288 | (11,864,626) | 4,923,247 | 145,302 | (405,224) |
| Total Primary Government | <u>(\$6,397,238)</u> | <u>(\$3,976,209)</u> | <u>\$10,056,055</u> | <u>\$33,787,010</u> | <u>\$17,702,738</u> |
| Changes in Net Assets | | | | | |
| Component units Activities | <u>(\$4,746,736)</u> | <u>(\$3,062,938)</u> | <u>\$2,498,779</u> | <u>\$7,564,727</u> | <u>\$5,191,846</u> |

CITY OF ALAMEDA
Fund Balances of Governmental Funds
Last Five Fiscal Years
(Modified Accrual Basis of Accounting)



| | 2003 | 2004 | 2005 | 2006 | 2007 |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------------|
| General Fund | | | | | |
| Reserved | \$4,351,023 | \$6,061,084 | \$6,065,209 | \$6,626,345 | \$6,649,640 |
| Unreserved | 14,516,417 | 12,655,623 | 16,048,586 | 17,947,381 | 16,171,215 |
| Total General Fund | <u>\$18,867,440</u> | <u>\$18,716,707</u> | <u>\$22,113,795</u> | <u>\$24,573,726</u> | <u>\$22,820,855</u> (a) |
| All Other Governmental Funds | | | | | |
| Reserved | \$22,490,776 | \$30,173,689 | \$26,759,167 | \$29,578,391 | \$32,799,457 |
| Unreserved, reported in: | | | | | |
| Special revenue funds | 11,284,346 | 46,548,364 | 40,171,866 | 38,923,405 | 31,494,061 |
| Capital project funds | 18,295,744 | 17,971,148 | 18,531,330 | 14,420,484 | 13,068,955 |
| Total all other governmental funds | <u>\$52,070,866</u> | <u>\$94,693,201</u> | <u>\$85,462,363</u> | <u>\$82,922,280</u> | <u>\$77,362,473</u> (a) |

(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.

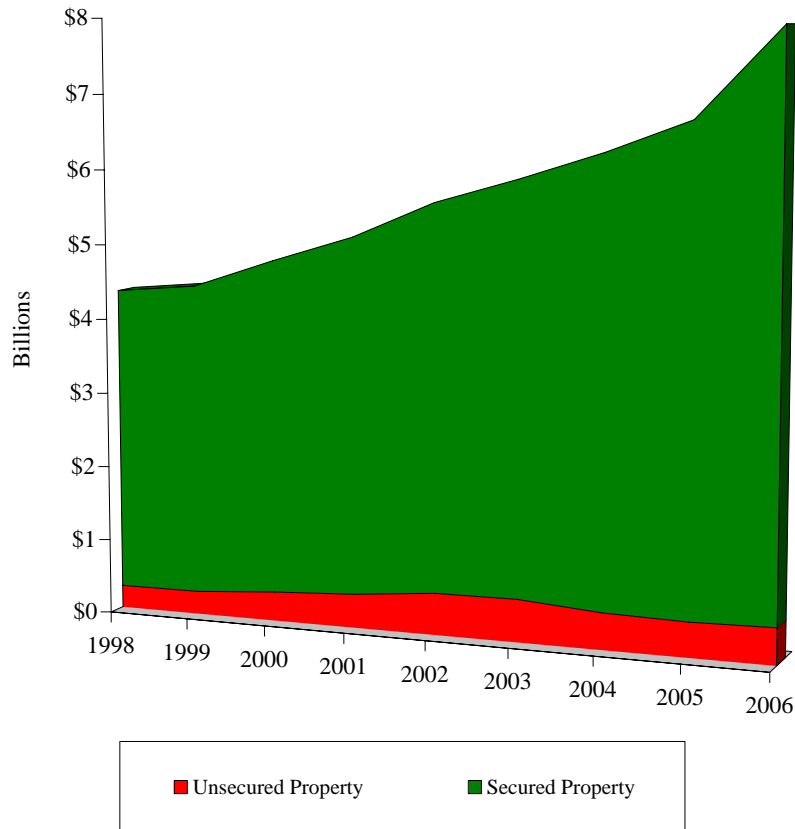
CITY OF ALAMEDA
Changes in Fund Balance of Governmental Funds
Last Five Fiscal Years
(Modified Accrual Basis of Accounting)

| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|--|---------------------|---------------------|----------------------|--------------------|----------------------|
| Revenues | | | | | |
| Property taxes | \$27,491,873 | \$29,947,878 | \$32,976,420 | \$37,320,071 | \$39,938,739 |
| Other local taxes | 20,743,798 | 22,236,960 | 24,120,443 | 27,682,138 | 26,125,551 |
| Licenses and permits | 2,485,586 | 2,928,479 | 3,664,147 | 4,316,809 | 4,281,863 |
| Revenue from other agencies | 17,955,265 | 16,905,698 | 22,233,324 | 35,629,270 | 29,797,193 |
| Charges for current services | 9,324,938 | 10,079,831 | 9,291,266 | 10,705,681 | 9,952,910 |
| Fines and forfeitures | 933,675 | 897,087 | 907,001 | 941,793 | 992,593 |
| Use of money and property | 14,965,122 | 14,517,984 | 15,444,762 | 15,791,585 | 18,624,311 |
| Affordable housing fee | 26,031 | 339,374 | 153,664 | 173,871 | 158,747 |
| Other | 945,439 | 613,652 | 3,396,593 | 994,372 | 1,278,774 |
| Total Revenues | <u>94,871,727</u> | <u>98,466,943</u> | <u>112,187,620</u> | <u>133,555,590</u> | <u>131,150,681</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | 10,569,472 | 11,020,370 | 14,932,657 | 15,161,220 | 13,761,022 |
| Police | 20,164,707 | 21,372,121 | 21,986,900 | 24,563,122 | 25,244,920 |
| Fire | 17,999,297 | 18,061,798 | 18,898,538 | 22,795,320 | 23,634,196 |
| Public Works | 6,992,184 | 7,844,588 | 7,382,093 | 7,120,517 | 7,892,558 |
| Development services | 27,202,280 | 19,887,277 | 15,319,311 | 12,677,375 | 28,512,408 |
| Culture and recreation | 5,639,792 | 6,034,698 | 6,177,938 | 6,331,629 | 6,621,934 |
| Housing and community services | 6,649,001 | 6,900,786 | 6,400,799 | 4,369,609 | 6,249,589 |
| Capital outlay | 11,719,561 | 19,409,657 | 18,907,960 | 39,505,003 | 23,667,913 |
| Payment to other agencies | | | 275,377 | | |
| Debt service: | | | | | |
| Principal repayment | 1,745,853 | 10,363,174 | 1,560,568 | 1,564,295 | 1,918,623 |
| Interest and fiscal charges | 3,856,685 | 9,288,334 | 6,283,053 | 6,033,431 | 6,255,397 |
| Total Expenditures | <u>112,538,832</u> | <u>130,182,803</u> | <u>118,125,194</u> | <u>140,121,521</u> | <u>143,758,560</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(17,667,105)</u> | <u>(31,715,860)</u> | <u>(5,937,574)</u> | <u>(6,565,931)</u> | <u>(12,607,879)</u> |
| Other Financing Sources (Uses) | | | | | |
| Contribution from another entity | | 1,231,721 | | | |
| Transfers in | 17,150,259 | 35,648,704 | 24,240,787 | 41,355,020 | 42,858,538 |
| Transfers (out) | (17,749,270) | (35,749,307) | (24,244,606) | (41,077,819) | (41,588,363) |
| Transfer from Alameda Power & Telecom | 2,500,000 | 2,500,000 | | | |
| Sale of capital assets | 11,166,506 | 7,556,344 | 23,443 | 5,176,704 | 25,026 |
| Payment to escrow agent | (10,565,000) | (15,570,000) | | | |
| Proceeds from long-term debt | 22,994,507 | 78,570,000 | 84,200 | 1,031,874 | 4,000,000 |
| Total other financing sources (uses) | <u>25,497,002</u> | <u>74,187,462</u> | <u>103,824</u> | <u>6,485,779</u> | <u>5,295,201</u> |
| Net Change in fund balances | <u>\$7,829,897</u> | <u>\$42,471,602</u> | <u>(\$5,833,750)</u> | <u>(\$80,152)</u> | <u>(\$7,312,678)</u> |
| Debt service as a percentage of noncapital expenditures | 5.2% | 17.8% | 7.1% | 5.7% | 6.0% |

NOTE:

(a) The City implemented GASB Statement 34 in fiscal year 2003.

**CITY OF ALAMEDA
ASSESSED AND ESTIMATED ACTUAL
VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

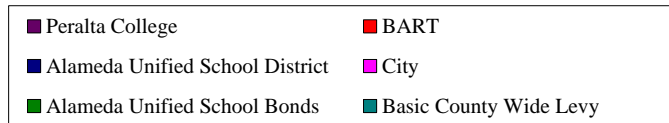
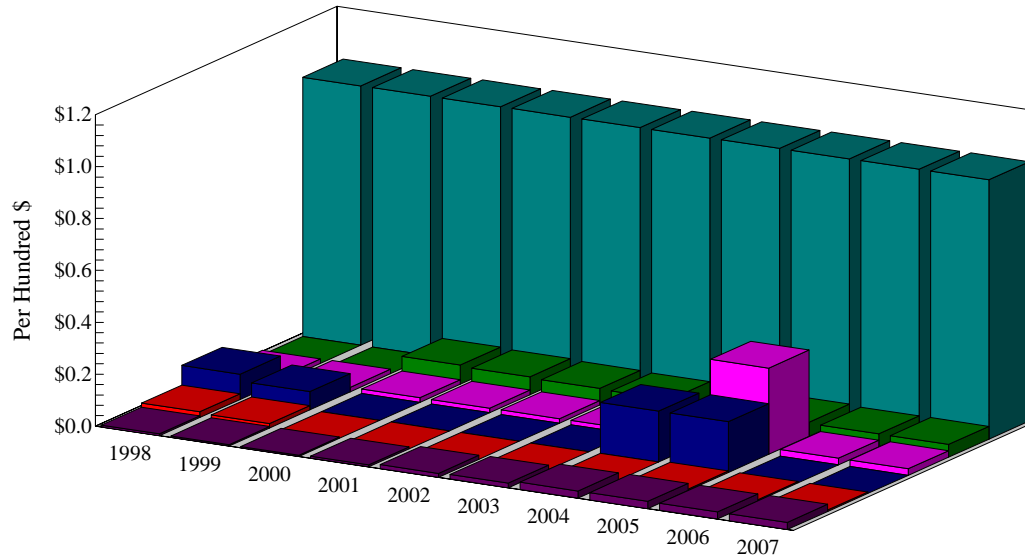


| Fiscal Year | Secured Property | Percent Change | Unsecured Property | Percent Change | Total Assessed | Estimated Full Market |
|-------------|------------------|----------------|--------------------|----------------|-----------------|-----------------------|
| 1998 | \$4,053,797,048 | 7.15% | \$296,869,359 | 9.94% | \$4,350,666,407 | \$4,350,666,407 |
| 1999 | 4,148,921,979 | 2.35% | 306,899,921 | 3.38% | 4,455,821,900 | 4,455,821,900 |
| 2000 | 4,444,637,602 | 7.13% | 388,980,561 | 26.75% | 4,833,618,163 | 4,833,618,163 |
| 2001 | 4,734,149,408 | 6.51% | 448,218,363 | 15.23% | 5,182,367,771 | 5,182,367,771 |
| 2002 | 5,110,118,698 | 7.94% | 553,644,347 | 23.52% | 5,663,763,045 | 5,663,763,045 |
| 2003 | 5,426,195,345 | 6.19% | 564,982,533 | 2.05% | 5,991,177,878 | 5,991,177,878 |
| 2004 | 5,865,562,253 | 8.10% | 485,153,311 | -14.13% | 6,350,715,564 | 6,350,715,564 |
| 2005 | 6,316,942,645 | 7.70% | 460,263,932 | -5.13% | 6,777,206,577 | 6,777,206,577 |
| 2006 | 7,469,413,342 | 18.24% | 482,582,523 | 4.85% | 7,432,630,955 | 7,432,630,955 |
| 2007 | 7,600,603,000 | 1.76% | 493,333,000 | 2.23% | 7,951,995,865 | 7,951,995,865 |

(a) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area.

Source: Alameda County Auditor Controller Office Certificate of Assessed Valuations

**CITY OF ALAMEDA
PROPERTY TAX RATES
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**



| Fiscal Year | Basic County Wide Levy | City | Alameda Unified School Bonds | Alameda Unified School District | BART | Peralta College | Total |
|-------------|------------------------|--------|------------------------------|---------------------------------|--------|-----------------|--------|
| 1998 | 1.0000 | 0.0175 | N/A | 0.0978 | 0.0220 | 0.0065 | 1.1438 |
| 1999 | 1.0000 | 0.0175 | N/A | 0.0705 | 0.0167 | 0.0056 | 1.1103 |
| 2000 | 1.0000 | 0.0175 | 0.0739 | flat rate | N/A | 0.0051 | 1.0965 |
| 2001 | 1.0000 | 0.0175 | 0.0691 | flat rate | N/A | 0.0077 | 1.0943 |
| 2002 | 1.0000 | 0.0175 | 0.0644 | flat rate | N/A | 0.0154 | 1.0973 |
| 2003 | 1.0000 | 0.0175 | 0.0610 | flat rate | N/A | 0.0176 | 1.0961 |
| 2004 | 1.0000 | 0.0318 | N/A | 0.1960 | N/A | 0.0280 | 1.2558 |
| 2005 | 1.0000 | 0.3330 | 0.0549 | 0.1960 | 0.0058 | 0.0280 | 1.6177 |
| 2006 | 1.0000 | 0.0255 | 0.0496 | N/A | 0.0050 | 0.0272 | 1.1073 |
| 2007 | 1.0000 | 0.0255 | 0.0496 | N/A | 0.0050 | 0.0272 | 1.1073 |

Source: Alameda County Assessors Office

CITY OF ALAMEDA
Principal Property Taxpayers
Current Year and One Year Ago

| Taxpayer | 2006-07 | | | 2005-06 | | |
|--|------------------------|------|---|------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Alameda Real Estate Investment | \$218,524,744 | 1 | 2.75% | \$212,676,218 | 1 | 2.86% |
| Kw Alameda LLC | 87,291,200 | 2 | 1.10% | | | |
| Wind River Systems Inc. | 60,593,386 | 3 | 0.76% | 58,535,579 | 3 | 0.79% |
| Harsch Investment Realty LLC Series | 50,486,980 | 4 | 0.63% | 44,225,179 | 5 | 0.60% |
| Bayport Alameda Associates LLC | 49,815,105 | 5 | 0.63% | 25,836,048 | 10 | 0.35% |
| Limar Realty Corporation 13 & Limar Realty | 31,469,388 | 6 | 0.40% | 51,124,532 | 4 | 0.69% |
| Starlight Marine Services | 28,921,970 | 7 | 0.36% | 27,676,900 | 7 | 0.37% |
| Ballena Village LLC | 28,365,760 | 8 | 0.36% | 27,826,956 | 6 | 0.37% |
| SRM PCCP Harbor Associates LLC | 26,823,831 | 9 | 0.34% | 26,297,875 | 8 | 0.35% |
| South Shore Beach & Tennis Club | 26,476,524 | 10 | 0.33% | 25,982,724 | 9 | 0.35% |
| Fifteen Rockpoint Alameda LLC | | | | 70,596,800 | 2 | |
| Subtotal | <u>\$608,768,888</u> | | <u>7.66%</u> | <u>\$570,778,811</u> | | <u>7.68%</u> |

Total Net Assessed Valuation:

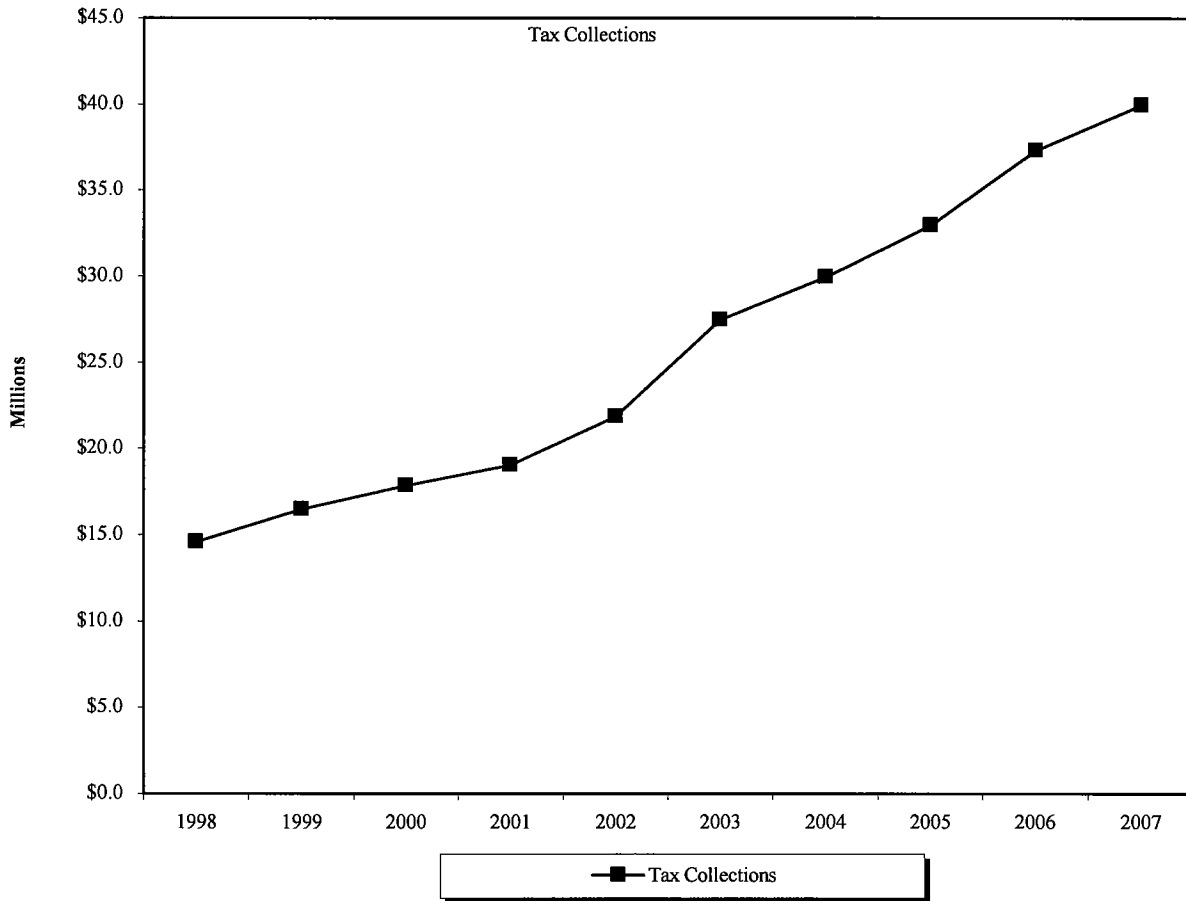
Fiscal Year 2006-07 \$7,951,995,865

Fiscal Year 2005-06 \$7,432,630,955

Source: Alameda County Assessor Fiscal Year Combined Tax Rolls.

(A) Principal Property Taxpayers information for fiscal year 1997-98 not available

**CITY OF ALAMEDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**



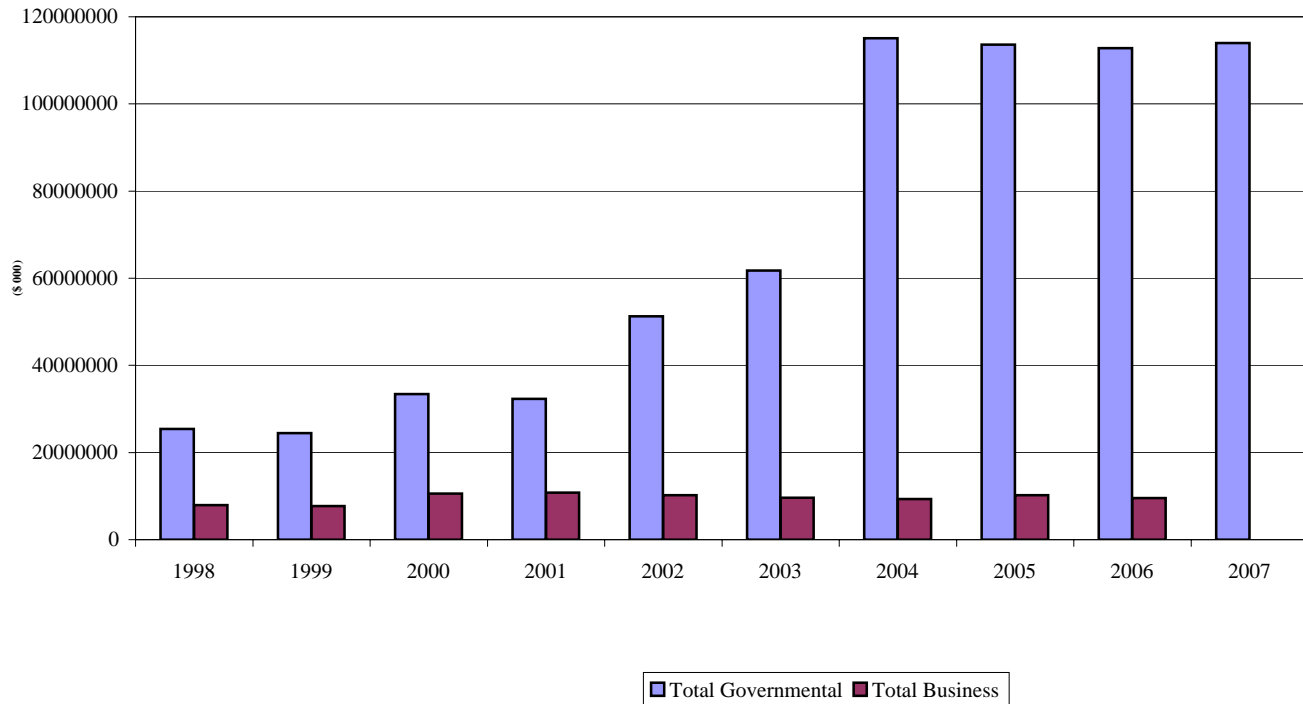
| Fiscal Year | Total Tax Levy (a) | Current Tax Collections | Percent of Levy Collected | Delinquent Tax Collections | Total Tax Collections | Percent of Total Tax Collections to Tax Levy |
|-------------|--------------------|-------------------------|---------------------------|----------------------------|-----------------------|--|
| 1998 | \$14,591,190 | \$14,591,190 | 100.0000% | \$0 | \$14,591,190 | 100.0000% |
| 1999 | 16,488,517 | 16,488,517 | 100.0000% | 0 | 16,488,517 | 100.0000% |
| 2000 | 17,856,925 | 17,856,925 | 100.0000% | 0 | 17,856,925 | 100.0000% |
| 2001 | 19,057,692 | 19,057,692 | 100.0000% | 0 | 19,057,692 | 100.0000% |
| 2002 | 21,859,978 | 21,859,978 | 100.0000% | 0 | 21,859,978 | 100.0000% |
| 2003 | 27,491,873 | 27,491,873 | 100.0000% | 0 | 27,491,873 | 100.0000% |
| 2004 | 29,947,878 | 29,947,878 | 100.0000% | 0 | 29,947,878 | 100.0000% |
| 2005 | 32,976,420 | 32,976,420 | 100.0000% | 0 | 32,976,420 | 100.0000% |
| 2006 | 37,320,071 | 37,320,071 | 100.0000% | 0 | 37,320,071 | 100.0000% |
| 2007 | 39,938,739 | 39,938,739 | 100.0000% | 0 | 39,938,739 | 100.0000% |

Source: City of Alameda Records

NOTE: Current tax collections beginning in 1993 have been reduced by a mandatory tax reallocation imposed by the State of California

- (a) During fiscal year 1995, the County began providing the City 100% of its tax levy under an agreement which allows the County to keep all interest and delinquency charges collected.

CITY OF ALAMEDA
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years



| Governmental Activities | | | | | | |
|-------------------------|----------------------|-------------------------------|-------------------------|---------------|-------------------------|--------------|
| Fiscal Year | Tax Allocation Bonds | Certificates of Participation | General Obligation Bond | Revenue Bonds | Loans & Lease Purchases | Total |
| 1998 | | \$22,900,000 | | \$2,390,000 | \$133,888 | \$25,423,888 |
| 1999 | | 21,835,000 | | 2,320,000 | 283,298 | 24,438,298 |
| 2000 | | 20,720,000 | | 12,245,000 | 447,940 | 33,412,940 |
| 2001 | | 19,650,000 | | 12,165,000 | 513,124 | 32,328,124 |
| 2002 | \$4,640,000 | 18,595,000 | | 27,295,000 | 735,113 | 51,265,113 |
| 2003 | 4,640,000 | 18,510,000 | \$10,600,000 | 26,405,000 | 1,625,511 | 61,780,511 |
| 2004 | 69,770,000 | 17,230,000 | 10,600,000 | 15,330,000 | 2,181,320 | 115,111,320 |
| 2005 | 69,225,000 | 16,605,000 | 10,455,000 | 15,225,000 | 2,071,962 | 113,581,962 |
| 2006 | 68,700,000 | 15,960,000 | 10,300,000 | 15,110,000 | 2,724,932 | 112,794,932 |
| 2007 | 68,010,000 | 15,290,000 | 10,135,000 | 14,995,000 | 5,549,055 | 113,979,055 |

| Business-Type Activities | | | | | | |
|--------------------------|-------------------------------|-------------------------|-------------|--------------------------|-----------------------------------|----------------|
| Fiscal Year | Certificates of Participation | Loans & Lease Purchases | Total | Total Primary Government | Percentage of Personal Income (a) | Per Capita (a) |
| 1998 | \$5,330,000 | \$2,615,690 | \$7,945,690 | \$33,369,578 | N/A | 458.42 |
| 1999 | 5,165,000 | 2,524,252 | 7,689,252 | 32,127,550 | N/A | 437.99 |
| 2000 | 4,990,000 | 5,573,979 | 10,563,979 | 43,976,919 | 1.96% | 608.60 |
| 2001 | 4,810,000 | 5,973,671 | 10,783,671 | 43,111,795 | 1.85% | 582.80 |
| 2002 | 4,625,000 | 5,590,353 | 10,215,353 | 61,480,466 | 2.52% | 825.30 |
| 2003 | 4,430,000 | 5,191,545 | 9,621,545 | 71,402,056 | 2.81% | 958.76 |
| 2004 | 4,225,000 | 5,087,209 | 9,312,209 | 124,423,529 | 4.69% | 1,673.35 |
| 2005 | 4,010,000 | 6,182,578 | 10,192,578 | 123,774,540 | 4.46% | 1,659.60 |
| 2006 | 3,785,000 | 5,750,127 | 9,535,127 | 122,330,059 | 4.60% | 1,644.11 |
| 2007 | 3,545,000 | 5,323,440 | 8,868,440 | 122,847,495 | 4.25% | 1,632.44 |

Note : Debt amounts exclude any premiums, discounts, or other amortization amounts.

Sources: City of Alameda

State of California, Department of Finance (population)

U.S. Department of commerce, Bureau of the Census (income)

(a) See page 172 (Demographic Statistics) for personal income and population data.

CITY OF ALAMEDA
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

| Fiscal Year | General Bonded Debt Outstanding | | | | | Percentage of Actual Taxable Value of Property | Per Capita |
|------------------------|--|------------------------------------|------------------------------|--|--------------|---|-----------------------|
| | Certificates of Participation Governmental Activities | General Obligation Bond | Revenue bond ARRA | Loans & Lease Purchases | Total | | |
| 1998 | \$22,900,000 | | | \$133,888 | \$23,033,888 | 0.53% | 316.43 |
| 1999 | 21,835,000 | | | 283,298 | 22,118,298 | 0.50% | 301.53 |
| 2000 | 20,720,000 | | \$10,000,000 | 447,940 | 31,167,940 | 0.64% | 431.34 |
| 2001 | 19,650,000 | | 10,000,000 | 513,124 | 30,163,124 | 0.58% | 407.75 |
| 2002 | 18,595,000 | | 10,000,000 | 735,113 | 29,330,113 | 0.52% | 393.72 |
| 2003 | 18,510,000 | \$10,600,000 | 9,200,000 | 1,625,511 | 39,935,511 | 0.67% | 536.24 |
| 2004 | 17,230,000 | 10,600,000 | 13,440,000 | 2,181,320 | 43,451,320 | 0.68% | 584.37 |
| 2005 | 16,605,000 | 10,455,000 | 13,440,000 | 2,071,962 | 42,571,962 | 0.63% | 570.82 |
| 2006 | 15,960,000 | 10,300,000 | 13,440,000 | 2,724,932 | 42,424,932 | 0.57% | 570.19 |
| 2007 | 15,290,000 | 10,135,000 | 13,440,000 | 6,214,787 | 45,079,787 | 0.57% | 599.04 |

CITY OF ALAMEDA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2007

2006-07 Assessed Valuation

\$8,068,390,615

| | Net Debt Outstanding | Percentage Applicable To City of Alameda | Amount Applicable To City of Alameda |
|--|-------------------------------|---|---|
| DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT | | | |
| Bay Area Rapid Transit District | \$87,185,000 | 1.764% | \$1,537,943 |
| Peralta Community College District | 269,680,000 | 13.945% | 37,606,876 |
| Alameda Unified School District | 88,220,326 | 100.000% | 88,220,326 |
| Oakland Unified School District | 571,456,867 | 0.001% | 5,715 |
| East Bay Regional Park District | 166,295,000 | 2.564% | 4,263,804 |
| East Bay Municipal Utility District | 1,095,000 | 5.047% | 55,265 |
| East Bay Municipal Utility District, Special District No. 1 | 34,405,000 | 12.852% | 4,421,731 |
| City of Alameda | 10,135,000 | 100.000% | 10,135,000 |
| City of Alameda Facilities District No. 1 | 14,195,000 | 100.000% | 14,195,000 |
| City of Alameda Facilities District No. 2 | 1,340,000 | 100.000% | 1,340,000 |
| City of Alameda 1915 Act Bonds | 35,365,000 | 100.000% | 35,365,000 |
| TOTAL GROSS DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT | <u>\$1,279,372,193</u> | | <u>197,146,660</u> |
| Less: East Bay Municipal Utility District (100% self-supporting) | | | <u>55,265</u> |
| TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT | | | <u>197,091,395</u> |
| OVERLAPPING GENERAL FUND OBLIGATION DEBT: | | | |
| Alameda County and Coliseum Authority General Fund Obligations | \$582,739,000 | 4.436% | 25,850,302 |
| Alameda County Pension Obligations | 254,826,843 | 4.436% | 11,304,119 |
| Alameda County Board of Education Certificates of Participation | 490,000 | 4.436% | 21,736 |
| Alameda-Conta Costa Transit District Certificates of Participation | 18,905,000 | 5.338% | 1,009,149 |
| Peralta Community College District Pension Obligations | 152,024,832 | 13.945% | 21,199,863 |
| Alameda Unified School District Certificates of Participation | 1,975,000 | 100.000% | 1,975,000 |
| Oakland Unified School District Certificates of Participation | 81,745,000 | 0.001% | 817 |
| City of Alameda General Fund Obligations | 15,660,145 | 100.000% | 15,660,145 |
| TOTAL OVERLAPPING GENERAL FUND OBLIGATION DEBT | <u>\$1,108,365,820</u> | | <u>\$77,021,131</u> |
| GROSS COMBINED TOTAL DEBT | | | <u>\$274,167,791</u> |
| NET COMBINED TOTAL DEBT | | | <u>\$274,112,526</u> |

(1) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

RATIOS TO 2006-07 ASSESSED VALUATION:

| | |
|--|-------|
| Direct Debt | 0.13% |
| Total Gross Direct and Overlapping Tax Assessment Debt | 2.44% |
| Total Net Direct and Overlapping Tax Assessment Debt | 2.44% |

Source: California Municipal Statistics, Inc.

**CITY OF ALAMEDA
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2007**

ASSESSED VALUATION:

| | |
|---|------------------------|
| Secured property assessed value, net of exempt real property | <u>\$7,600,603,000</u> |
|---|------------------------|

| | |
|---|------------------------|
| BONDED DEBT LIMIT (15% OF ASSESSED VALUE) | <u>\$1,140,090,450</u> |
|---|------------------------|

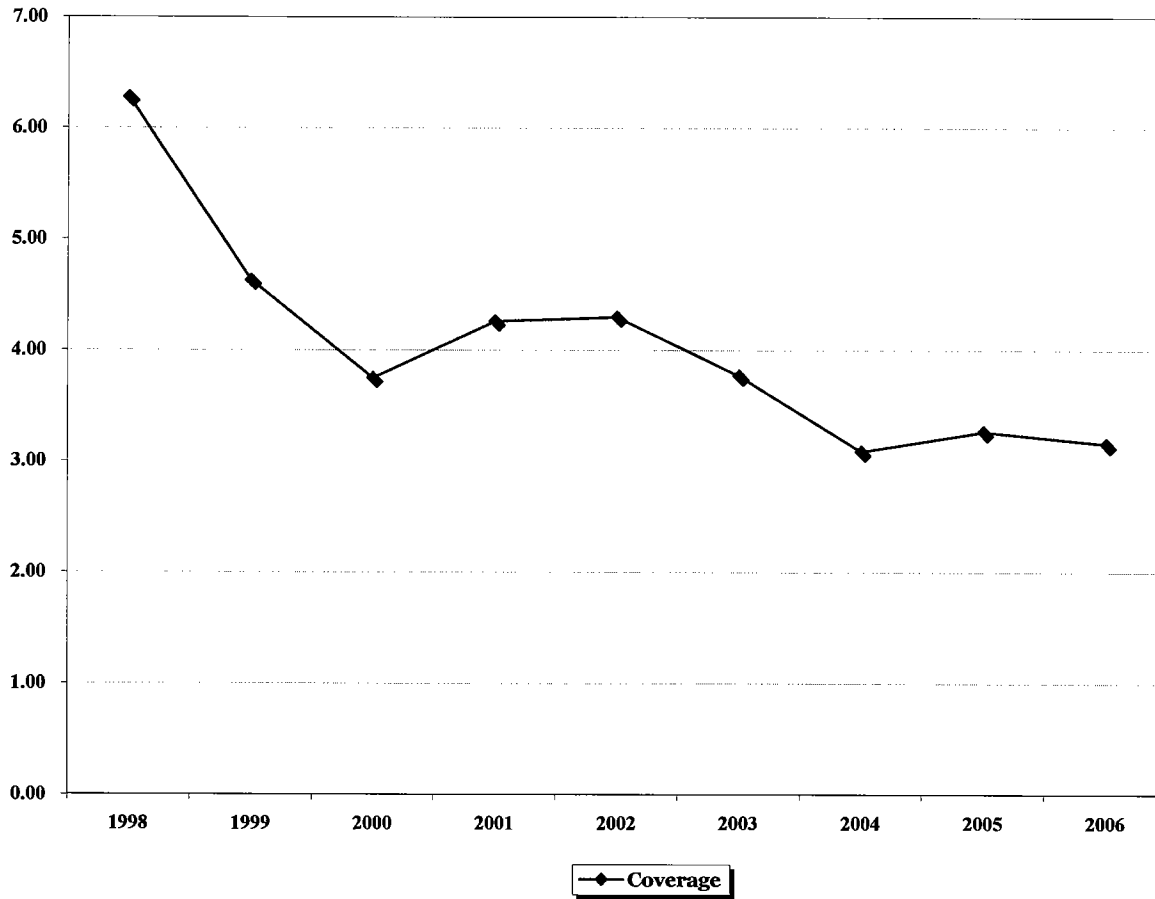
AMOUNT OF DEBT SUBJECT TO LIMIT:

| | |
|----------------------------------|-------------------|
| Total Bonded Debt | 219,106,779 |
| Less: | |
| Tax Allocation Bonds | 68,010,000 |
| Revenue Bonds Anticipation Notes | 33,000,000 |
| Revenue Bonds | 14,995,000 |
| Certificates of Participations | <u>60,635,000</u> |
| Amount of debt subject to limit | <u>42,466,779</u> |

| | |
|--------------------------|------------------------|
| LEGAL BONDED DEBT MARGIN | <u>\$1,097,623,671</u> |
|--------------------------|------------------------|

| Fiscal Year | Debt Limit | Total Net Debt Applicable to Limit | Legal Debt Margin | Total net debt applicable to the limit as a percentage of debt limit |
|----------------|---------------|--|-------------------------|---|
| 1997 | \$589,285,571 | \$16,471,500 | \$572,814,071 | 2.88% |
| 1998 | 652,599,961 | 6,439,000 | 646,160,961 | 1.00% |
| 1999 | 668,373,285 | 5,166,282 | 663,207,003 | 0.78% |
| 2000 | 666,753,987 | 4,245,152 | 662,508,835 | 0.64% |
| 2001 | 797,767,278 | 6,789,531 | 790,977,747 | 0.86% |
| 2002 | 871,080,464 | 10,965,468 | 860,114,996 | 1.27% |
| 2003 | 898,676,682 | 22,057,055 | 876,619,627 | 2.52% |
| 2004 | 952,607,335 | 87,638,529 | 864,968,806 | 10.13% |
| 2005 | 1,016,580,986 | 93,934,540 | 922,646,446 | 10.18% |
| 2006 | 1,140,090,450 | 42,126,174 | 1,097,964,276 | 3.84% |
| 2007 | 1,140,090,450 | 42,466,779 | 1,097,623,671 | 3.87% |

**CITY OF ALAMEDA
SEWER FUND DEBT COVERAGE
LAST TEN FISCAL YEARS**

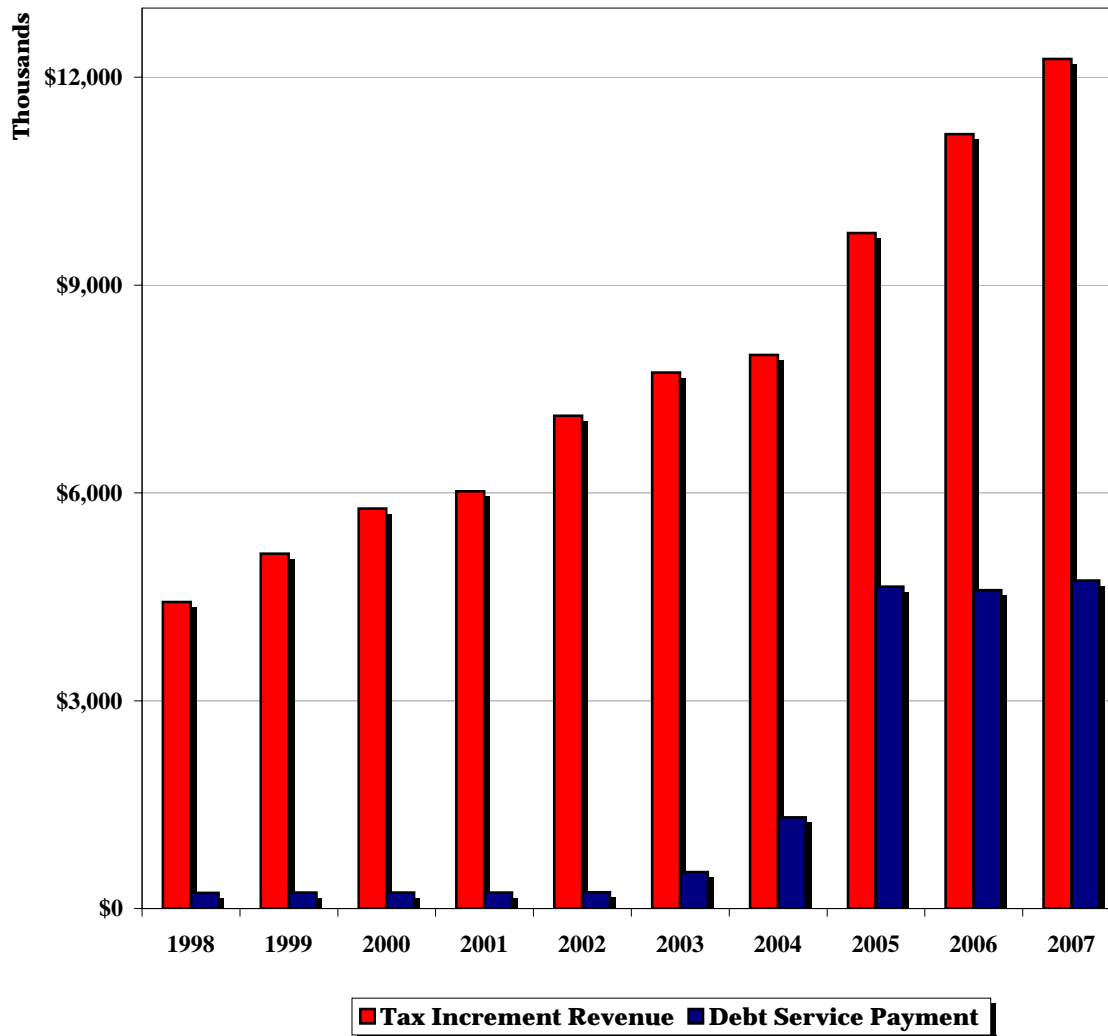


| Fiscal Year | Gross Revenue (1) | Operating Expenses (2) | Net Revenue Available for Debt Service | Debt Service Requirements | | | Coverage |
|-------------|-------------------|------------------------|--|---------------------------|-----------|-----------|----------|
| | | | | Principal | Interest | Total | |
| 1998 | \$4,293,156 | \$1,478,968 | \$2,814,188 | \$173,997 | \$274,231 | \$448,228 | 6.28 |
| 1999 | 4,328,199 | 1,548,785 | 2,779,414 | 256,438 | 344,453 | 600,891 | 4.63 |
| 2000 | 4,397,860 | 1,574,600 | 2,823,260 | 369,832 | 382,641 | 752,473 | 3.75 |
| 2001 | 4,969,937 | 1,489,305 | 3,480,632 | 426,779 | 390,061 | 816,840 | 4.26 |
| 2002 | 5,145,229 | 1,644,439 | 3,500,790 | 431,222 | 382,551 | 813,773 | 4.30 |
| 2003 | 5,375,026 | 2,303,181 | 3,071,845 | 448,038 | 367,356 | 815,394 | 3.77 |
| 2004 | 5,200,564 | 2,676,271 | 2,524,293 | 464,930 | 351,415 | 816,345 | 3.09 |
| 2005 | 5,358,572 | 2,352,626 | 3,005,946 | 557,150 | 361,729 | 918,879 | 3.27 |
| 2006 | 5,510,703 | 2,610,725 | 2,899,978 | 563,839 | 354,612 | 918,451 | 3.16 |
| 2,007 | 5,687,119 | 3,966,089 | 1,721,030 | 588,054 | 334,260 | 922,314 | 1.87 |

Notes: (1) Includes all Sewer Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenue
(2) Includes all Sewer Operating Expenses less Depreciation and Interest

Source: City of Alameda Annual Financial Statements

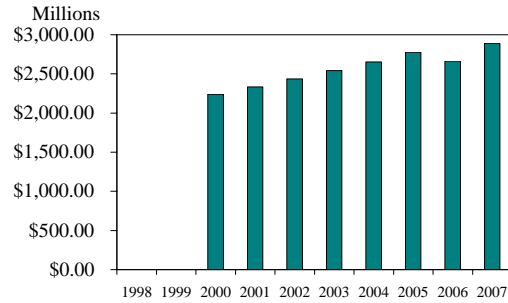
CITY OF ALAMEDA
BONDED DEBT PLEDGED REVENUE COVERAGE
CIC REVENUE BONDS AND TAX ALLOCATION BONDS
LAST TEN FISCAL YEARS



| Fiscal Year | Tax Increment Revenue | Debt Service Requirements | | | Coverage |
|-------------|-----------------------|---------------------------|-----------|-----------|----------|
| | | Principal | Interest | Total | |
| 1998 | \$4,427,375 | \$65,000 | \$163,014 | \$228,014 | 19.42 |
| 1999 | 5,125,605 | 70,000 | 159,244 | 229,244 | 22.36 |
| 2000 | 5,775,291 | 75,000 | 155,044 | 230,044 | 25.11 |
| 2001 | 6,025,497 | 80,000 | 150,394 | 230,394 | 26.15 |
| 2002 | 7,115,468 | 90,000 | 145,394 | 235,394 | 30.23 |
| 2003 | 7,739,233 | 90,000 | 437,771 | 527,771 | 14.66 |
| 2004 | 7,993,280 | 95,000 | 1,223,210 | 1,318,210 | 6.06 |
| 2005 | 9,753,286 | 650,000 | 3,997,104 | 4,647,104 | 2.10 |
| 2006 | 11,178,320 | 640,000 | 3,957,871 | 4,597,871 | 2.43 |
| 2007 | 12,266,563 | 805,000 | 3,928,195 | 4,733,195 | 2.59 |

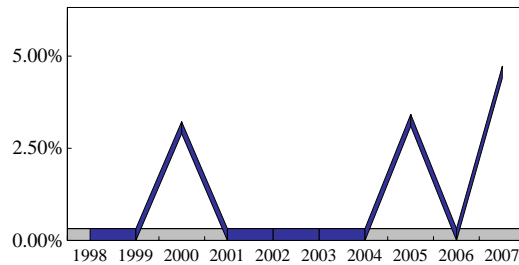
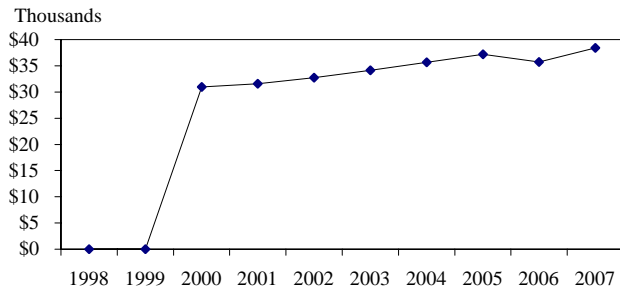
Source: City of Alameda Annual Financial Statements

CITY OF ALAMEDA DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS



■ City Population as a % of County Population

■ Total Personal Income



—●— Per Capita Personal Income

■ Unemployment Rate (%)

| Fiscal Year | City Population | Total Personal Income | Per Capita Personal Income | Unemployment Rate (%) | Alameda County Population | City Population % of County |
|-------------|-----------------|-----------------------|----------------------------|-----------------------|---------------------------|-----------------------------|
| 1998 | 72,793 | (A) | (A) | (A) | 1,413,372 | 5.15% |
| 1999 | 73,353 | (A) | (A) | (A) | 1,438,516 | 5.10% |
| 2000 | 72,259 | \$2,238,728,338 | \$30,982 | 2.9% | 1,443,939 | 5.00% |
| 2001 | 73,974 | 2,335,665,275 | 31,574 | (A) | 1,465,508 | 5.05% |
| 2002 | 74,495 | 2,436,799,581 | 32,711 | (A) | 1,483,311 | 5.02% |
| 2003 | 74,473 | 2,542,313,003 | 34,137 | (A) | 1,491,209 | 4.99% |
| 2004 | 74,356 | 2,652,395,156 | 35,672 | (A) | 1,496,968 | 4.97% |
| 2005 | 74,581 | 2,774,114,876 | 37,196 | 3.1% | 1,507,500 | 4.95% |
| 2006 | 74,405 | 2,659,309,105 | 35,741 | (A) | 1,510,303 | 4.93% |
| 2007 | 75,254 | 2,889,453,000 | 38,396 | 4.4% | 1,509,981 | 4.98% |

Source: California State Department of Finance

Note: (A) Information not available

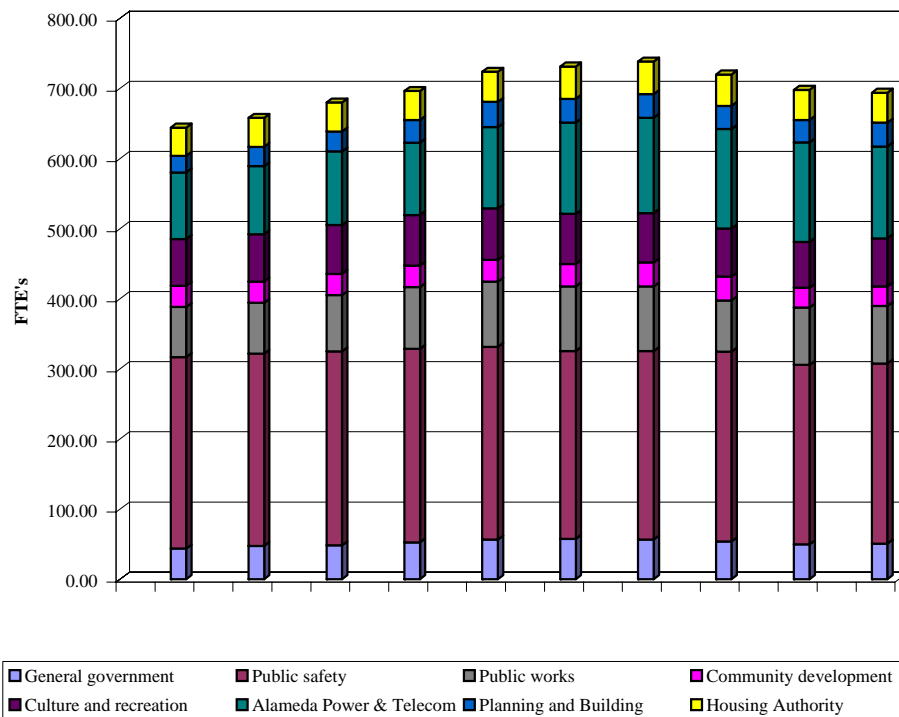
CITY OF ALAMEDA
Principal Employers
Current Year and Nine Years Ago

| Employer | 2006-07 | | | 1997-98 | | |
|---------------------------------|--------------------------------|-------------|--|--------------------------------|-------------|--|
| | Number of Employees | Rank | Percentage of Total City Employment | Number of Employees | Rank | Percentage of Total City Employment |
| Alameda Unified School District | 1,000 | 1 | 2.59% | (A) | (A) | (A) |
| Abbott Diabetes Care Inc. | 671 | 2 | 1.74% | (A) | (A) | (A) |
| City of Alameda | 626 | 3 | 1.62% | (A) | (A) | (A) |
| Alameda Hospital | 600 | 4 | 1.55% | (A) | (A) | (A) |
| College of Alameda | 472 | 5 | 1.22% | (A) | (A) | (A) |
| Safeway Stores | 345 | 6 | 0.89% | (A) | (A) | (A) |
| Wind River Systems | 339 | 7 | 0.88% | (A) | (A) | (A) |
| Kaiser Foundation Health Plan | 252 | 8 | 0.65% | (A) | (A) | (A) |
| UT Starcom Inc. | 223 | 9 | 0.58% | (A) | (A) | (A) |
| Celera Diagnostics LLC | 215 | 10 | 0.56% | (A) | (A) | (A) |
| Subtotal | <u>4,743</u> | | <u>12.288%</u> | | | |
| Total City Day Population | <u>38,600</u> | | | | | |

Source: City of Alameda Community Development Department
and City of Alameda Business License Records

(A) Employment information, other than City of Alameda, not available

CITY OF ALAMEDA
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years



| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Function | | | | | | | | | | |
| General government | 43.60 | 47.50 | 48.00 | 52.50 | 56.25 | 57.50 | 56.50 | 53.50 | 49.50 | 50.50 |
| Public safety | 273.00 | 274.00 | 277.00 | 276.00 | 275.00 | 268.00 | 269.00 | 271.00 | 256.00 | 257.00 |
| Public works | 71.50 | 72.50 | 80.00 | 88.00 | 93.00 | 92.00 | 92.00 | 73.00 | 82.00 | 82.00 |
| Community development | 30.50 | 30.50 | 30.50 | 30.50 | 31.00 | 32.00 | 34.00 | 34.00 | 28.00 | 28.00 |
| Culture and recreation | 66.50 | 67.50 | 69.50 | 72.50 | 73.50 | 71.50 | 70.50 | 68.50 | 65.50 | 68.50 |
| Alameda Power & Telecom | 95.00 | 97.00 | 105.00 | 103.00 | 116.00 | 130.00 | 136.00 | 142.00 | 142.00 | 131.00 |
| Planning and Building | 23.58 | 27.50 | 28.50 | 32.50 | 36.00 | 34.00 | 34.00 | 33.00 | 32.00 | 34.00 |
| Housing Authority | 40.30 | 41.30 | 41.30 | 41.30 | 42.90 | 46.20 | 46.20 | 44.70 | 42.70 | 42.70 |
| Total | 643.98 | 657.80 | 679.80 | 696.30 | 723.65 | 731.20 | 738.20 | 719.70 | 697.70 | 693.70 |

Note:

Wastewater and Solid Waste are included in Public Works

Culture & Recreation includes Library, Recreation and Park, and Golf

Source: City of Alameda

CITY OF ALAMEDA
Operating Indicators by Function/Program
Last Ten Fiscal Years

| | Fiscal Year | | | |
|--|-------------|-----------|-----------|-----------|
| | 1998 | 1999 | 2000 | 2001 |
| General Information | | | | |
| Incorporation date | 4/19/1854 | 4/19/1854 | 4/19/1854 | 4/19/1854 |
| | Council/ | Council/ | Council/ | Council/ |
| Form of government | Manager | Manager | Manager | Manager |
| Area in square miles | 9.5 | 10.1 | 10.1 | 10.1 |
| Number of registered voters | 38,052 | 33,805 | 35,320 | 38,123 |
| Number of Hospitals | 1 | 1 | 1 | 1 |
| Education: | | | | |
| Student enrollment | (A) | (A) | (A) | (A) |
| Elementary schools | 12 | 12 | 12 | 12 |
| Junior high schools | 3 | 3 | 3 | 3 |
| High schools | 2 | 2 | 2 | 2 |
| Continuation schools | 1 | 1 | 1 | 1 |
| Independent study | 1 | 1 | 1 | 1 |
| Teachers (full & part time) | 526 | 526 | 526 | 526 |
| Function/Program | | | | |
| Fire: | | | | |
| Fire calls for service | 5,210 | 5,284 | 5,340 | 5,608 |
| Primary fire inspections conducted | (A) | (A) | (A) | (A) |
| Environmental safety inspections conducted | (A) | (A) | (A) | (A) |
| Police: | | | | |
| Police calls for Service | 57,114 | 60,082 | 59,350 | 66,047 |
| Law violations: | | | | |
| Part I and Part II crimes | 7,599 | 7,365 | 7,282 | 7,739 |
| Physical arrests (adult and juvenile) | 3,931 | 3,647 | 3,598 | 4,039 |
| Traffic violations | 14,241 | 14,173 | 14,368 | 12,269 |
| Animal Shelter: | | | | |
| Animals adopted | 750 | 677 | 509 | 520 |
| Public works: | | | | |
| Street resurfacing (miles) | (A) | (A) | (A) | (A) |
| Sewer | | | | |
| Storm drain inlets | (A) | (A) | (A) | (A) |
| Sewer service connections | (A) | (A) | (A) | (A) |
| Solid Waste | | | | |
| Refuse Landfill (tons per year) | (A) | (A) | (A) | (A) |
| Recyclables Processed (tons per year) | (A) | (A) | (A) | (A) |

| | Fiscal Year | | | |
|---|-------------|-------------|-------------|-------------|
| | 1998 | 1999 | 2000 | 2001 |
| Planning & Building: | | | | |
| Number of Building Permits issued | 5,225 | 6,253 | 6,253 | 7,273 |
| Recreation and Parks: | | | | |
| Youth & Teens: | | | | |
| Number of youth programs | 78 | 80 | 82 | 85 |
| Number of youth attendees | 18,940 | 19,783 | 19,334 | 19,375 |
| Seniors: | | | | |
| Number of senior programs | 54 | 57 | 60 | 64 |
| Number of senior attendees | 60,923 | 62,380 | 58,683 | 57,753 |
| Number of meal served | 17,883 | 18,708 | 16,708 | 14,124 |
| Number of Mastick Senior Center attendees | 60,923 | 62,380 | 58,683 | 57,753 |
| *Note: Still in session (mid-year) | | | | |
| Golf: | | | | |
| Number of rounds played | 214,062 | 226,490 | 223,972 | 222,212 |
| Library: | | | | |
| Volumes in Collection (thousands) | 178 | 180 | 186 | 179 |
| Total Volumes Borrowed (thousands) | 433 | 418 | 389 | 457 |
| Finance: | | | | |
| Number of Business Licenses issued | (A) | (A) | (A) | (A) |
| Alameda Power and Telecom: | | | | |
| Number of electric customers | 32,165 | 32,495 | 32,595 | 32,765 |
| Number of kilowatt hours sold | 357,278,748 | 370,559,887 | 374,217,039 | 383,124,513 |
| Reliability rate | 99.98 | 99.99 | 99.98 | 99.99 |
| Number of telecom customers | 0 | 0 | 0 | 0 |
| Housing Authority: | | | | |
| Number of Section 8 vouchers | 1,425 | 1,457 | 1,632 | 1,632 |
| Number of managed units | 558 | 559 | 559 | 559 |

Source: City of ALAMEDA

Note: (A) Information not available

CITY OF ALAMEDA
Operating Indicators by Function/Program
Last Ten Fiscal Years
(Continued)

| | Fiscal Year | | | | | |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| General Information | | | | | | |
| Incorporation date | 4/19/1854 | 4/19/1854 | 4/19/1854 | 4/19/1854 | 4/19/1854 | 4/19/1854 |
| Form of government | Council/ Manager | Council/ Manager | Council/ Manager | Council/ Manager | Council/ Manager | Council/ Manager |
| Area in square miles | 10.1 | 10.1 | 10.1 | 22.7 | 22.7 | 22.7 |
| Number of registered voters | 37,055 | 39,780 | 39,360 | 40,968 | 41,755 | 37,307 |
| Number of Hospitals | 1 | 1 | 1 | 1 | 1 | 1 |
| Education: | | | | | | |
| Student enrollment | (A) | (A) | (A) | 10,383 | 9,975 | 9,975 (B) |
| Elementary schools | 12 | 12 | 12 | 12 | 10 | 11 |
| Junior high schools | 3 | 3 | 3 | 3 | 3 | 3 |
| High schools | 2 | 2 | 2 | 2 | 3 | 3 |
| Continuation schools | 1 | 1 | 1 | 1 | 1 | 1 |
| Independent study | 1 | 1 | 1 | 1 | 1 | 1 |
| Teachers (full & part time) | 526 | 528 | 637 | 650 | 621 | 650 |
| Function/Program | | | | | | |
| Fire: | | | | | | |
| Fire calls for service | 5,712 | 6,070 | 6,003 | (A) | (A) | (A) |
| Primary fire inspections conducted | (A) | (A) | 1,700 | 3,050 | 3,215 | 3,215 (B) |
| Environmental safety inspections con | (A) | (A) | 270 | 270 | 114 | 114 (B) |
| Police: | | | | | | |
| Police calls for Service | 73,484 | 72,584 | 65,535 | 66,634 | 67,816 | 67,816 (B) |
| Law violations: | | | | | | |
| Part I and Part II crimes | 7,893 | 7,897 | 6,741 | 6,128 | 6,479 | 6,479 (B) |
| Physical arrests (adult and juvenile) | 4,638 | 5,530 | 4,712 | 4,036 | 4,441 | 4,441 (B) |
| Traffic violations | 16,643 | 16,845 | 15,370 | 16,154 | 16,205 | 16,205 (B) |
| Animal Shelter: | | | | | | |
| Animals adopted | 397 | 475 | 480 | 437 | (A) | (A) |
| Public works: | | | | | | |
| Street resurfacing (miles) | (A) | (A) | (A) | (A) | 6 | 4.3 |
| Sewer | | | | | | |
| Storm drain inlets | (A) | (A) | (A) | (A) | 2,100 | 2,100 |
| Sewer service connections | (A) | (A) | (A) | (A) | 29,789 | 29,789 |
| Solid Waste | | | | | | |
| Refuse Landfill (tons per year) | (A) | (A) | (A) | (A) | 35,504 | 39,584 |
| Recyclables Processed (tons per year) | (A) | (A) | (A) | (A) | 10,936 | 14,354 |

| | Fiscal Year | | | | | |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| Planning & Building: | | | | | | |
| Number of Building Permits issued | 4,182 | 4,964 | 5,131 | 7,011 | 6,197 | 5,979 |
| Recreation and Parks: | | | | | | |
| Youth & Teens: | | | | | | |
| Number of youth programs | 80 | 89 | 90 | 92 | 98 | 102 |
| Number of youth attendees | 20,183 | 22,259 | 28,479 | 33,550 | 22,915 | 23,831 |
| Seniors: | | | | | | |
| Number of senior programs | 70 | 75 | 79 | 81 | 84 | 96 |
| Number of senior attendees | 70,197 | 117,099 | 161,216 | 160,762 | 167,269 | 166,788 |
| Number of meal served | 14,064 | 14,435 | 14,243 | 12,154 | 12,209 | 11,203 |
| Number of Mastick Senior Center att | 70,197 | 117,099 | 161,216 | 160,762 | 167,269 | 166,788 |
| *Note: Still in session (mid-year) | | | | | | |
| Golf: | | | | | | |
| Number of rounds played | 206,977 | 198,113 | 178,937 | 151,607 | 134,114 | 144,811 |
| Library: | | | | | | |
| Volumes in Collection (thousands) | 181 | 184 | 189 | 198 | 193 | 224 |
| Total Volumes Borrowed (thousands) | 492 | 517 | 508 | 499 | 494 | 483 |
| Finance: | | | | | | |
| Number of Business Licenses issued | 8,075 | 8,295 | 8,732 | 9,038 | 9,283 | 10,251 |
| Alameda Power and Telecom: | | | | | | |
| Number of electric customers | 32,853 | 32,957 | 33,059 | 33,188 | 33,869 | 33,892 |
| Number of kilowatt hours sold | 366,835,346 | 367,521,970 | 379,852,595 | 378,328,730 | 377,792,038 | 389,286,575 |
| Reliability rate | 99.99 | 99.99 | 99.99 | 99.99 | 99.99 | 99.99 |
| Number of telecom customers | 5,755 | 8,708 | 12,001 | 15,462 | 16,770 | 16,374 |
| Housing Authority: | | | | | | |
| Number of Section 8 vouchers | 1,632 | 1,583 | 1,625 | 1,625 | 1,675 | 1,675 |
| Number of managed units | 559 | 559 | 559 | 559 | 559 | 559 |

Source: City of ALAMEDA

Note: (A) Information not available
 (B) Data as of January 1, 2007

CITY OF ALAMEDA
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|------|------|------|------|------|
| Function/Program | | | | | |
| Fire: | | | | | |
| Fire stations | 5 | 5 | 5 | 5 | 5 |
| Police: | | | | | |
| Police stations | 1 | 1 | 1 | 1 | 1 |
| Public works: | | | | | |
| Miles of streets | (A) | (A) | (A) | (A) | (A) |
| Miles of bike lanes | (A) | (A) | (A) | (A) | (A) |
| Traffic Signals | (A) | (A) | (A) | (A) | (A) |
| Wastewater | | | | | |
| Miles of sanitary sewers | (A) | (A) | (A) | (A) | (A) |
| Miles of storm sewers | (A) | (A) | (A) | (A) | (A) |
| Recreation and Parks: | | | | | |
| City parks | 23 | 25 | 29 | 29 | 29 |
| City parks acreage | 109 | 120 | 141 | 141 | 141 |
| Playgrounds | 11 | 11 | 11 | 11 | 11 |
| City trails/Bike paths | (A) | (A) | (A) | (A) | (A) |
| Community centers | 11 | 11 | 12 | 12 | 12 |
| Senior centers | 1 | 1 | 1 | 1 | 1 |
| Sports centers | 0 | 0 | 0 | 0 | 0 |
| Performing arts centers | 0 | 0 | 0 | 0 | 0 |
| Swimming pools (owned by AUSD but Maintained by City | 5 | 5 | 5 | 5 | 5 |
| Tennis courts (16 owned by City and 3 not owned by City at Alameda Point) | 19 | 19 | 19 | 19 | 19 |
| Baseball/softball diamonds | 14 | *15 | *15 | *15 | *15 |
| Soccer/football fields | **2 | **2 | **2 | **2 | **2 |
| *14 baseball fields in City parks with one owned by College of Alameda | | | | | |
| ** 1 Dedicated soccer field in City Parks with one not owned by City at Alameda Point | | | | | |
| Golf: | | | | | |
| Acres of Greens | (A) | (A) | (A) | 5.39 | 5.39 |
| Number of electric golf carts | (A) | (A) | (A) | (A) | (A) |
| Library: | | | | | |
| City Libraries | 3 | 3 | 3 | 3 | 3 |
| Alameda Power and Telecom: | | | | | |
| Miles of lines | 162 | 162 | 165 | 166 | 237 |
| Street lights | (A) | (A) | (A) | (A) | (A) |

Source: City of Alameda

Note: (A) Information not available

| Fiscal Year | | | | |
|-------------|-------|------|--------|--------|
| 2003 | 2004 | 2005 | 2006 | 2007 |
| 5 | 5 | 5 | 5 | 5 |
| 1 | 1 | 1 | 1 | 1 |
| (A) | 135 | 135 | 135 | 138 |
| (A) | (A) | 10 | 10 | 10 |
| (A) | (A) | 78 | 78 | 78 |
| (A) | (A) | (A) | 160 | 160 |
| (A) | (A) | (A) | 41 | 41 |
| 29 | 29 | 31 | 31 | 31 |
| 141 | 141 | 149 | 149.31 | 149.31 |
| 11 | 11 | 11 | 11 | 11 |
| (A) | (A) | 10 | 10 | 10 |
| 12 | 12 | 12 | 12 | 2 |
| 1 | 1 | 1 | 1 | 1 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 5 | 5 | 5 | 5 | 5 |
| 19 | 19 | 19 | 19 | 19 |
| *15 | *15 | *15 | *15 | 15 |
| **2 | **2 | **2 | **2 | 2 |
| 5.39 | 5.39 | 5.39 | 5.39 | 5.39 |
| (A) | 150 | 150 | 150 | 150 |
| 3 | 3 | 3 | 3 | 3 |
| 239 | 2,456 | 245 | 147 | 256 |
| (A) | (A) | (A) | 6,359 | 6,365 |